

4598. Also, petition of Blanche Sherman, of Montebello, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4599. Also, petition of E. L. Cryer, of Los Angeles, Calif., and 32 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4600. Also, petition of Arthur J. O'Neill, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4601. Also, petition of Florence Claridge, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4602. Also, petition of Wolf Adler, of Los Angeles, Calif., and 25 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4603. Also, petition of Marie T. Planka, of Pomona, Calif., and 7 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4604. Also, petition of Walter H. Albright, of Whittier, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4605. Also, petition of James A. Lany, of El Monte, Calif., and seven others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4606. Also, petition of Leonard Walter Sangford, of La Verne, Calif., and 11 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4607. Also, petition of Newton Van Dalsem, of Los Angeles, Calif., and 21 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12

Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4608. Also, petition of Earl Ricke, of Alhambra, Calif., and 12 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4609. Also, petition of D. M. Appling, of Altadena, Calif., and nine others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4610. Also, petition of Pauline Dickson, of Los Angeles, Calif., and 17 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4611. Also, petition of Mary Love DeTarr, of Pico, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4612. Also, petition of William Arnell, of Pico, Calif., and 19 others, endorsing House bill 4931, which would provide for Government ownership of the stock of the 12 Federal Reserve banks and would establish a constitutional money system in conformity with article 1, section 8, of the Constitution of the United States, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4613. By the SPEAKER: Petition of the Workers Alliance of Sacramento, Calif., urging consideration of their resolution with reference to Works Progress Administration work relief; to the Committee on Appropriations.

4614. Also, petition of Alfred M. Kunze, of New Rochelle, N. Y., urging consideration of the resolution with reference to Works Progress Administration programs; to the Committee on Ways and Means.

4615. Also, petition of the W. E. Long Co., of Chicago, Ill., urging consideration of the resolution from the Independent Bakery Owners and Managers, in convention June 21, 1939, with reference to the National Labor Relations Act; to the Committee on Labor.

4616. Also, petition of the Toledo Central Labor Union, Toledo, Ohio, urging consideration of their resolution with reference to work relief; to the Committee on Appropriations.

SENATE

WEDNESDAY, JULY 12, 1939

(Legislative day of Monday, July 10, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Blessed Christ, who hast bidden us to pray for the coming of Thy Father's kingdom, that His righteous will may be done on earth: Help us to cherish this great hope even as

the inspired souls of all the ages, who, seeing afar the shining City of God, by faith forsook the profit of the present life to follow their vision. As we have mastered Nature to our advantage that we might gain wealth, teach us now to master our social relations, that we may gain justice for all and promote true brotherhood; for what shall it profit our Nation if, with the increase of riches, we lose the sense of the presence of the living God and the joy of human kindness?

Accept this day the rededication of us all to this ideal of service, for we are determined to live by truth and to found our common life on the eternal foundations of righteousness and love. Amen.

THE JOURNAL

On request of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 11, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwellenbach
Andrews	George	Lodge	Sheppard
Austin	Gerry	Lucas	Shipstead
Barbour	Gibson	Lundeen	Slattery
Barkley	Gillette	McKellar	Smith
Bilbo	Glass	McNary	Stewart
Bone	Green	Maloney	Thomas, Okla.
Borah	Guffey	Mead	Thomas, Utah
Bridges	Gurney	Miller	Tobey
Bulow	Hale	Minton	Townsend
Burke	Harrison	Murray	Truman
Byrd	Hatch	Neely	Vandenberg
Capper	Hayden	Norris	Van Nuys
Chavez	Herring	Nye	Wagner
Clark, Idaho	Hill	O'Mahoney	Walsh
Clark, Mo.	Holman	Overton	Wheeler
Connally	Holt	Pittman	White
Danaher	Hughes	Radcliffe	Wiley
Davis	Johnson, Calif.	Reed	
Donahay	Johnson, Colo.	Reynolds	
Downey	King	Russell	
Ellender	La Follette	Schwartz	

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from New Jersey [Mr. SMATHERS] are detained from the Senate because of illness in their families.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from South Carolina [Mr. BYRNES], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. LOGAN], the Senator from Nevada [Mr. McCARRAN], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on the Judiciary:

Assembly Joint Resolution 32

Joint resolution relating to memorializing the Congress of the United States to pass the Wagner-Van Nuys-Capper antilynching bill

Whereas lynching is a repulsive and monstrous violation of human rights and justice that is deserving of governmental action as kidnapping; and

Whereas the spirit which tolerates lynching and, unlike other crimes, is invariably accompanied with inhuman cruelty to guilty and innocent alike, and the complete impotency or unwillingness of public authorities to prosecute; and

Whereas as long as the local and State laws are flaunted with impunity there can be no powerful deterrent or effective curb on mob violence; and

Whereas gross injustice results to the victim because he is deprived of his life or property without due process of law and equal protection thereunder; and

Whereas the mob spirit endangers both life and property, the continuance of orderly and sane government, and the future peace of this country; and

Whereas no civilized democratic government can rightfully continue to condone such cowardly atrocities and substitute a frenzied mob law for orderly justice; and

Whereas the unspeakable crime will never cease until an effective and adequate control by Congress is enacted; and

Whereas the Wagner, Van Nuys, and Capper bill is now pending before Congress as an effective and powerful deterrent upon the terrible evil of lynching: Now, therefore, be it

Resolved by the assembly (the senate concurring). That this legislature memorializes the Congress of the United States to pass such antilynching bill so as to prevent and restrain the punishment or destruction of persons accused or suspected of crime in any other manner than by a duly constituted court of justice and due process of law; be it further

Resolved. That properly attested copies of this resolution be sent to the President of the United States, both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the house of delegates of the American Osteopathic Association at the annual convention assembled at Dallas, Tex., favoring amendment of Senate bill 1620, the so-called national health bill, so as to safeguard the freedom of choice of physician and school of practice to persons entitled to medical care, etc., which was referred to the Committee on Education and Labor.

Mr. HOLT presented the petitions of Townsend Club No. 1 of Farmington, Townsend Club No. 1 of Martinsburg, the Townsend Club of Ridgeley, and members of the Townsend recovery movement in Morgan County, all in the State of West Virginia, praying for the enactment of the joint resolution (S. J. Res. 145) proposing an amendment to the Constitution of the United States relating to old-age assistance, which were ordered to lie on the table.

Mr. CAPPER presented a telegram in the nature of a memorial from the Workers Council of Kansas, Topeka, Kans., signed by Everett R. King, State president, remonstrating against the monthly labor schedule recently prescribed for workers under the W. P. A., which was referred to the Committee on Appropriations.

Mr. WALSH presented the memorial of the Citizens' Alliance, of Waltham, Mass., remonstrating against the enactment of the so-called Bloom neutrality bill, which was referred to the Committee on Foreign Relations.

Mr. WILEY presented the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Resolution 58

Joint resolution relating to the submission by the Wisconsin Conservation Commission to the United States Biological Survey of a program for the acquisition and restoration of Horicon Marsh as a Wisconsin project under the Pittman-Robertson Act

Whereas Horicon Marsh, located mainly in Dodge County, and extending into Fond du Lac County, State of Wisconsin, is a flat, low, practically level marshy area about 13 miles in length from north to south, and varying in width from 1 to 4 miles from east to west, formerly partially covered by the waters of the Rock River, and with an abundance of aquatic growth and vegetation; and

Whereas in its natural state Horicon Marsh was known not only throughout Wisconsin and the Northwest but throughout the entire Nation as one of nature's great natural refuges and nesting places for migratory wild fowl, and as a habitat for native upland game, birds, and fur-bearing animals; and

Whereas Horicon Marsh was drained by private capital beginning in the year 1910, such drainage being planned and accomplished to make available for agricultural use the lands of Horicon Marsh; and

Whereas a period of nearly 30 years has demonstrated conclusively that said drainage project has failed in its purpose of making available for agriculture the lands in the marsh proper, although it may have made available borderlands which, prior to drainage, could not be cultivated, and which thereafter were cultivated for agricultural purposes; and

Whereas the drainage of Horicon Marsh has changed the character of the marsh profoundly so as to impair its former suitability as a refuge and nesting place for migratory wild fowl and as a habitat for upland game, birds, and fur-bearing animals, without any compensating results by way of making available the central marsh areas for agricultural use, and the experience of the last several decades has shown conclusively that the best use of this unique area is as an environment for wildlife, and that restoration

as near as is possible to the conditions existing prior to drainage, is desirable; and

Whereas this legislature recognized the desirability of restoring Horicon Marsh in 1927, by creating in said area a wildlife refuge and game preserve by chapter 475 of the laws of 1927, now section 29.571 of the Wisconsin statutes, which chapter required that the conservation commission "shall purchase or acquire by condemnation proceedings the land known as the Horicon Marsh, or as much thereof as it may deem necessary * * *" and further authorized the said commission "to construct and maintain a dam or dams in or near the city of Horicon to control and regulate the floodwaters on Rock River, and to restore the public waters of Rock River on Horicon Marsh to the natural levels existing prior to the private drainage of the same;" and

Whereas the conservation commission did in due course construct a dam in the city of Horicon, adequate to regulate and flood the waters on Rock River, and to restore the waters of Rock River to the levels existing prior to drainage, and did, in fact, acquire approximately 1,100 acres in the south end of the marsh, and took appropriate steps to have a determination made of the natural levels of Rock River in Horicon Marsh, by the public service commission, and the conservation commission thereupon proceeded by means of said dam to raise the levels of the waters in Rock River to such levels as were found by the public service commission to be the original or natural levels; and

Whereas litigation resulting from the attempt of the Wisconsin conservation commission to carry out the mandate of this legislature of 1927 terminated in a decision by the Supreme Court of Wisconsin (221 Wis. 246), holding in substance that since the drainage privately done was done with the consent of all of the owners of land involved and did not, in fact, impair the navigability of Rock River, the State of Wisconsin may not now "in view of * * * the long acquiescence by the State * * * in the status created by completion of the project" question the lawful character of the original drainage, and further held that restoration of Horicon Marsh, which will necessitate the impounding and raising of the waters in Rock River above the levels resulting from drainage, can be accomplished only with the consent of the owners of lands affected thereby and by compensating such owners for any loss or damage which they might suffer by reason of the raising of such water levels; and

Whereas it is universally conceded that the restoration of Horicon Marsh for use as a migratory wild-fowl refuge and nesting area, and as a habitat for upland game, birds, and fur-bearing animals, is desirable and constitutes the best and most practical usage to which said area can be devoted, and that the only questions to be determined in such restoration project are: (1) The extent of the areas to be acquired; that is, what lands in addition to the low-lying center portion shall be needed, and (2) the source of funds for acquisition purposes; and

Whereas the Wisconsin State Planning Board has prepared a detailed factual study of the Horicon Marsh, including data on the acreage involved in the various portions thereof, indicating that the low-lying center portion, all of which would of necessity have to be acquired in a restoration program, comprises 17,545 acres; a secondary higher land area adjacent to the low-lying center portion, comprises 7,640 acres; and a third or still higher land area adjacent to the secondary area, comprises 4,182 acres; and the said study and survey also giving complete detailed information on ownership and assessed valuation of all areas involved; and

Whereas in any restoration program of Horicon Marsh flowage rights or title must be acquired by the State and the reasonable market value thereof must be paid to the owners of the lands involved, regardless of whether such areas be acquired by negotiation or by condemnation, and there cannot, therefore, be involved in any acquisition or restoration program any question of conflict with the rights of private owners or taking without adequate and just compensation; and

Whereas the State of Wisconsin has heretofore not made available funds for carrying out the legislative mandate of 1927 to restore Horicon Marsh, and it is self-evident that, in view of current State finances, no adequate funds are available at this time from State sources either by way of appropriation from the general fund of the State or from the conservation fund; and

Whereas Congress has enacted legislation (approved September 2, 1937) designated as the "Federal Aid in Wildlife Restoration Act" (50 Stat. 917) and popularly known as the Pittman-Robertson Act, by the terms of which moneys accruing to the Federal Government from the tax imposed on firearms, shells, and cartridges are set aside as a special fund for apportionment among the several States for wildlife-restoration purposes, and wildlife restoration under said act is construed to mean and include the "selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition by purchase, condemnation, lease, or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor," and the amount available to the State of Wisconsin for the current fiscal year ending June 30, 1939, together with the State's contribution amounting in all to more than \$30,000, and sums available from said Federal source after the current fiscal year and continuously thereafter will aggregate, on the basis of present estimates and including the State's contribution to said funds, approximately \$90,000 per annum; and

Whereas this legislature has before it a bill to enable the State to accept funds under the Pittman-Robertson Act, and to participate with the Federal Government in projects thereunder, being

bill 160 A, which passed the assembly by unanimous vote on April 27, 1939, and is now pending before the senate on a recommendation for concurrence by the committee on State and local government; and

Whereas there is no question but that restoration of Horicon Marsh is a project coming within the terms of the Pittman-Robertson Act, and the United States Biological Survey, which is charged with the administration of said act and the selection and approval of projects submitted by the several States, has through its chief and through its officials charged with the duties of administering said act indicated unqualifiedly that the Horicon Marsh would be a suitable, worthy, and desirable project for the State of Wisconsin to submit as its major project; and

Whereas Horicon Marsh, by reason of its great importance not only in the State but nationally as a unique wildlife refuge, and because of the legislative mandate of 1927 for its restoration, which mandate has never been repealed, and because of its great additional value as a reservoir for water storage at the headwaters of the Rock River, for flood control, and for its great recreational possibilities for the residents of the State of Wisconsin, there is no single contemplated project before the public of Wisconsin today as important and as far-reaching as Horicon Marsh: Now, therefore, be it

Resolved by the senate (the assembly concurring), That it is the sense of this legislature that in the selection of projects for use of funds available to the State under the Pittman-Robertson Act, the restoration of Horicon Marsh be given first consideration; and the Wisconsin Conservation Commission is requested to work out a program and submit it for approval to the United States Biological Survey for restoration and acquisition of Horicon Marsh with the use of Pittman-Robertson funds and the contributions to be made by the State under said act, such program to include acquisition of such areas as in the judgment of the conservation commission and the United States Biological Survey may be necessary for restoration and for administration as a wildlife refuge and public hunting and fishing areas, such acquisition to be in full compliance with the laws of the State and the United States, condemnation of areas under State law, and payment to the owners of such areas condemned of any amounts determined by the court under Wisconsin law to be reasonable, where acquisition cannot be accomplished by negotiation; and be it further

Resolved, That since detailed information as to the areas which will be needed, ownership, and estimated values are now available, that the restoration of Horicon Marsh as Wisconsin's major project under the Pittman-Robertson Act be submitted to the United States Biological Survey for approval forthwith, and that the conservation commission cooperate with the United States Biological Survey in working out the details of said program as speedily as possible; and be it further

Resolved, That properly attested copies of this resolution be transmitted to the United States Biological Survey and to each Wisconsin Member of Congress.

REPORTS OF COMMITTEES

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (S. 2225) to create a new group within the Air Corps, Regular Army, with the designations of junior flight officer, flight officer, and senior flight officer, reported it with an amendment and submitted a report (No. 764) thereon.

Mr. WALSH, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2662) authorizing the Secretary of the Treasury to convey an easement in certain lands to the city of New York, and for other purposes, reported it without amendment and submitted a report (No. 765) thereon.

Mr. HARRISON, from the Committee on Foreign Relations, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 2526. A bill to authorize Leonhard Stejneger, of the United States National Museum, to accept certain decoration from the Norwegian Government (Rept. No. 766); and

H. J. Res. 315. Joint resolution to provide for the adjudication by a Commissioner of Claims of American nationals against the Government of the Union of Soviet Socialist Republics (Rept. No. 767).

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on today, July 12, 1939, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 12. An act for the relief of Dica Perkins;

S. 129. An act for the relief of Howard Arthur Beswick;

S. 216. An act for the relief of A. C. Williams, administrator of the estate of his wife, Julia F. Williams;

S. 221. An act for the relief of Anthony Coniglio;

S. 431. An act for the relief of Mrs. Quitman Smith;
 S. 510. An act to authorize certain officers and enlisted men of the United States Army to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered;
 S. 556. An act for the relief of Catherine Humler;
 S. 633. An act for the relief of Ray Wimmer;
 S. 661. An act for the relief of Ida A. Deaver;
 S. 681. An act to give proper recognition to the distinguished services of Col. Ernest Graves;
 S. 746. An act to authorize Maj. Andrew S. Rowan, United States Army, retired, to accept the Order Carlos Manuel de Céspedes tendered him by the Government of Cuba in appreciation of services rendered;
 S. 840. An act to amend and clarify the provisions of the act of June 15, 1936 (49 Stat. 1507), and for other purposes;
 S. 875. An act for the relief of Andrew J. Crockett and Walter Crockett;
 S. 884. An act for the relief of disbursing officers and other officers and employees of the United States for disallowances and charges on account of airplane travel;
 S. 1001. An act for the relief of Albert Pina Afonso, a minor;
 S. 1018. An act to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes;
 S. 1020. An act to authorize the purchase of equipment and supplies for experimental and test purposes;
 S. 1021. An act to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes;
 S. 1109. An act to amend the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds, and for other purposes;
 S. 1118. An act to provide for acceptance and cashing of Government pay checks of retired naval personnel and members of the Naval and Marine Corps Reserves by commissary stores and ship's stores ashore located outside the continental limits of the United States;
 S. 1181. An act to provide for the status of warrant officers and of enlisted men of the Regular Army who serve as commissioned officers;
 S. 1186. An act for the relief of Herbert M. Snapp;
 S. 1291. An act for the relief of William Carl Laude;
 S. 1307. An act authorizing the Secretary of War to grant a revocable license to the Union Pacific Railroad Co. to maintain certain railroad trackage on the Fort Leavenworth Military Reservation;
 S. 1385. An act for the relief of the Barkman Lumber Co.;
 S. 1387. An act for the relief of Ida May Lennon;
 S. 1452. An act for the relief of Loyd J. Palmer;
 S. 1487. An act for the relief of the Postal Telegraph-Cable Co.;
 S. 1517. An act for the relief of F. E. Perkins;
 S. 1523. An act to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government;
 S. 1629. An act for the relief of the Canvas Decoy Co.;
 S. 1692. An act for the relief of J. Vernon Phillips;
 S. 1778. An act authorizing the Secretary of the Interior to issue to Martha Austin a patent to certain land;
 S. 1847. An act for the relief of Naomi Straley and Bonnie Straley;
 S. 1894. An act for the relief of Ivan Charles Grace;
 S. 1895. An act for the relief of Maria Enriquez, Crisanta, Anselmo, Agustin, and Irineo de los Reyes;
 S. 1907. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Poplar, Mont.;

S. 2096. An act to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended;
 S. 2126. An act authorizing the Comptroller General of the United States to adjust and settle the claim of E. Devlin, Inc.;
 S. 2167. An act to provide for the reimbursement of certain members or former members of the United States Coast Guard for the value of personal effects lost in the hurricane of September 21, 1938, at several Coast Guard stations on the coasts of New York, Connecticut, and Rhode Island;
 S. 2197. An act authorizing Federal participation in the commemoration and observance of the four hundredth anniversary of the explorations of Francisco Vasquez de Coronado;
 S. 2222. An act to provide for a Deputy Chief of Staff, and for other purposes;
 S. 2237. An act to amend the Taylor Grazing Act;
 S. 2353. An act to authorize appropriation for the construction of a medical school building at Carlisle Barracks, Pa.;
 S. 2503. An act to amend an act entitled "An act to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy," approved April 16, 1937;
 S. 2539. An act to amend section 1223 of the Revised Statutes of the United States;
 S. J. Res. 2. Joint resolution providing for consideration of a recommendation for decoration of Sgt. Fred W. Stockham, deceased;
 S. J. Res. 124. Joint resolution authorizing the President to invite foreign countries to participate in the San Diego-Cabrillo Quadricentennial Celebration to be held in 1942; and
 S. J. Res. 126. Joint resolution to amend the act to authorize alterations and repairs to certain naval vessels, and for other purposes, approved April 20, 1939.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

S. 2782. A bill for the relief of Harold W. Kinderman; to the Committee on Military Affairs.

By Mr. SHEPPARD:

S. 2783. A bill for the relief of the estates of Marie R. Morkovsky and Alphons Morkovsky, both deceased; to the Committee on Claims.

By Mr. KING:

S. 2784. A bill to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936; to the Committee on Territories and Insular Affairs.

By Mr. STEWART:

S. 2785. A bill to amend the Federal Firearms Act (Public, No. 785, 75th Cong.) so as to more adequately define the term "ammunition" as said term is defined in said act; to the Committee on Commerce.

(Mr. BARBOUR introduced Senate bill 2786, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. CONNALLY:

S. 2787. A bill for the relief of Maude Smith; to the Committee on Claims.

By Mr. PITTMAN:

S. 2788. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; to the Committee on Foreign Relations.

By Mr. STEWART:

S. J. Res. 168. Joint resolution authorizing an appropriation for the purpose of further improving and enlarging the campus and facilities of the Columbia Military Academy, Tennessee, in which the Federal Government retains certain rights and equities; to the Committee on Military Affairs.

INTEREST RATES ON HOME MORTGAGES

Mr. BARBOUR. Mr. President, I am sending to the desk for introduction and appropriate reference a bill which I hope may be passed before adjournment. It relates to the interest rates now being charged and to be charged in the future on home mortgages. Because of the importance of this subject, I beg to make a brief statement of the purposes of the bill. I do this so that my colleagues in the Senate may have a clear understanding of the measure without looking up the existing laws relating to the operations of the Federal Home Loan Bank System and the Federal Housing Administration.

Briefly, the bill would have the following results:

First. Lower the interest rate on unpaid balances of all home mortgages held by the Home Owners' Loan Corporation, the so-called "distress" mortgages taken over by the H. O. L. C. under emergency authority approved in 1932 and 1933, on which the mortgagors are now paying 5 percent. The new rate would be 4 percent.

Second. Similarly, lower the interest rate from 5 to 4 percent on all newly insured mortgages financed through the Federal Housing Administration, the new rate to become effective 90 days after passage of the bill.

Third. Limit the "spread" between the borrowing rate of the Federal Home Loan Bank System, on its own debentures, and the lending rate to building and loan and other home-financing institutions, to one-half of 1 percent.

Fourth. As a condition of all future advances to building and loan and similar institutions by Federal Home Loan banks, require borrowing institutions to charge home builders an interest rate not more than 2 percent higher than that at which they are able to obtain advances from the F. H. L. B. As the Federal Home Loan Bank System is now able to sell its debentures at an interest level of 2 percent or less, my bill would make the loaning rate to member institutions $2\frac{1}{2}$ percent on the present market, and restrict the interest charge of borrowing institutions to $4\frac{1}{2}$ percent.

I am hopeful that the bill can be passed by Congress before we adjourn, and that its passage will be followed by a general lowering of interest rates for home-building purposes all along the line. This would be a natural result of competition for this business. Many home owners whose properties are now mortgaged also would be able, under these circumstances, to refinance their mortgages at lower interest rates.

To my mind this is one of the greatest single stumbling blocks to prosperity. Interest rates generally are entirely out of line with other prices, and likewise fail to reflect the condition of the banks and other lending institutions, most of which are filled to overflowing with idle funds. I am convinced that banks, life insurance companies, finance companies, building and loan institutions, and all other agencies lending money for home construction would make substantially more actual profits at lower interest rates, as these encourage a greater volume of building.

It is conceivable that a building boom, thus stimulated, would do much to restore prosperity. It would have a tremendously beneficial effect in putting idle money into circulation, and at the same time put the building industry and the mortgage business on a much sounder basis than they are now.

Building-trades workers would find jobs, millions of Americans could live in better homes, and millions of others would have their fixed charges reduced at a time when these are eating up a disproportionate share of their total income.

I cannot see how anyone would be injured by the proposed legislation, and I believe the whole country would benefit.

Mr. President, I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill (S. 2786) to reduce the interest rate on Home Owners' Loan Corporation mortgages, to limit the interest rate collectible by institutions borrowing funds from Federal Home Loan banks, and to further limit the interest rate collectible on mortgages insurable by the Federal Housing Administration was read twice by its

title, referred to the Committee on Banking and Currency, and ordered to be printed in the Record, as follows:

Be it enacted, etc., That this act may be cited as the "Home Loan Interest Reduction Act of 1939."

SEC. 2. (a) Section 5 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"Sec. 5. No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if (1) the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges with respect to any home-mortgage loan made on or after July 22, 1932, and prior to the date of enactment of the Home Loan Interest Reduction Act of 1939, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the maximum legal rate of interest or, in case there is a lawful contract rate of interest applicable to such transactions, in excess of such rate (regardless of any exemption from usury laws), or, in case there is no legal rate of interest or lawful contract rate of interest applicable to such transactions, in excess of 8 percent per annum in the State where such property is located, or (2) the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges with respect to any home-mortgage loan made on or after the date of enactment of the Home Loan Interest Reduction Act of 1939, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of 2 percent more than the rate of interest on advances made by Federal Home Loan banks to member or nonmember borrowers at the time such home owner secured his loan."

(b) The first sentence of subsection (c) of section 10 of the Federal Home Loan Bank Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "Provided, That the rate of interest upon any such advance made after the date of enactment of the Home Loan Interest Reduction Act of 1939 shall not be in excess of one-half of 1 percent more than the average rate of interest paid on obligations issued under section 11 during the 5 years immediately preceding the making of such advance."

SEC. 3. The Board of Directors of the Home Owners' Loan Corporation is authorized and directed to reduce to 4 percent per annum the rate of interest payable from and after the date of enactment of this act on the unpaid balance outstanding of any loan made by such Corporation and secured by a home mortgage or other obligation or lien upon real estate.

SEC. 4. From and after 90 days after enactment of this act, no mortgage (other than a mortgage for which the Administrator of the Federal Housing Administration has prior to the expiration of the aforesaid 90-day interval made a commitment to insure) shall be eligible for insurance under any section of the National Housing Act, as amended, unless such mortgage bears interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.

SOCIAL SECURITY ACT—AMENDMENT

Mr. BILBO submitted an amendment intended to be proposed by him to the bill (H. R. 6635) to amend the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

IMPORTATIONS OF WOOD PULP OR PULPWOOD

Mr. BORAH submitted the following resolution (S. Res. 160), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission, under authority conferred by section 332 of the Tariff Act of 1930, is directed to investigate and report to the Senate all facts relating to wood pulp or pulpwood, showing the volume of importations compared with domestic production and the conditions, causes, and effects relating to foreign competition, and all other facts showing the differences in, or which affect competition between, the production of wood pulp or pulpwood in the United States or that imported in the principal markets of the United States. Such report to be made to the Senate not later than January 15, 1940.

FLOOD CONTROL—AMENDMENTS

Mr. TAFT submitted three amendments intended to be proposed by him to the bill (H. R. 6634) amending previous flood-control acts, and authorizing certain preliminary examinations and surveys for flood control, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

ADDRESS BY SENATOR TAFT AT CORNERSTONE LAYING OF DOCTORS' HOSPITAL

[Mr. BYRD asked and obtained leave to have printed in the Record an address delivered by Senator TAFT on July 11, 1939, on the occasion of the laying of the cornerstone of the Doctors' Hospital in Washington, D. C., which appears in the Appendix.]

SECOND PORTION OF STATEMENT ON NEUTRALITY BY LOUIS B. WARD

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a portion of the statement on neutrality made by Hon. Louis B. Ward before the Foreign Relations Committee of the Senate, which appears in the Appendix.]

THE ROOSEVELT ADMINISTRATION—ARTICLE BY GENERAL JOHNSON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article on the Roosevelt administration by Gen. Hugh S. Johnson, which appears in the Appendix.]

RECIPROCAL-TRADE TREATY WITH CANADA—IMPORT OF RED-CEDAR SHINGLES

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, copy of a letter which I sent to Secretary of State Cordell Hull on July 6, 1939, together with certain exhibits dealing with the red-cedar-shingle industry.

There is also accompanying the group of documents which I hold in my hand a letter from the Secretary of State, dated May 23, 1939, to which my letter, first referred to, was a reply.

Mr. President, this correspondence is self-explanatory. It throws considerable light on one phase of the reciprocal trade-treaty policy, and shows how careless the State Department has been of the interest of the lumber industry of the Pacific Northwest, which is our greatest industry in that section.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

JULY 6, 1939.

HON. CORDELL HULL,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: I have your letter of May 23 in reply to my letters of February 25, February 28, and May 3, 1939, with reference to imports of red-cedar shingles. I note you continue to take the view that no substantial damage has been inflicted upon the red-cedar-shingle industry of the United States by the concession made to Canada in the reciprocal-trade treaty that goes into effect June 17. Your letter gives a quantity of statistics intended to show that the United States industry has not been damaged.

I have been waiting to answer your letter until figures became available of the imports of shingles from Canada for the first week of unrestricted shipments. I now have these figures, and they appear to me to completely refute the theoretical statements of the State Department. I think I am safe in assuming that a single fact will overthrow a thousand theories, and in this case the fact is at hand. I am advised by the Customs Bureau that imports of Canadian shingles for the week of June 18-24 totaled 237,915 squares, which is an all-time high mark. This compares with a general average per week during quota periods of 60,000 squares.

This huge total entering during the first week after the quota law became a dead letter compares with 116,000 squares during the first week that the quota was open in 1939; that is, the week of June 1-7, inclusive. A further comparison is afforded by the opening 9 days of the quota period in 1938. July 1 fell on a Friday, and it is therefore desirable to take Friday and Saturday of that week and the 7 days of the following week, making a total of 9 days, and during those 9 days shingle imports totaled 188,000 squares. The destructive effect of the removal of the shingle quota law is well illustrated by these figures.

I also waited to reply to your letter until I had available the printed hearings on S. 1720, the buy-American bill, at which representatives of the shingle industry testified. At that hearing Mr. E. F. Herr, representing the Washington-Oregon Shingle Weavers District Council, testified:

"The industry has available a sufficient number of trained workmen, machines, and material to supply the entire wood-shingle demand of the United States without increasing the present productive capacity. This is clearly proved by the fact that during 1937, when the Canadian imports furnished 26.6 percent of the American consumption, 44.3 percent of the United States mills' capacity was idle."

Mr. Herr also testified:

"In a recent report on the Canadian red-cedar shingle industry that has come to our attention we note the presence in their operation of a large percentage of orientals, mostly employed in the higher-paid or skilled brackets. This report states that the hourly wage average in British Columbia is 60½ cents and that the work-week is 48 hours. We do not intend to see our industry average reduced to that figure, nor do we intend to increase our weekly hours of work from 36 to 48 in order to meet the Canadian idea of employment."

"If our union members are to maintain their present status, the market for our product must not be given away or traded off; or, if a portion of it is to be handed over to a foreign country, that portion must be such as has been established over a period of years and not increased to the point that our industry cannot survive and our membership be thrown on relief rolls."

I should comment at this point that the 60½ cents an hour wage rate average in British Columbia, which may seem to some a high

average, is not actually so, because practically all of the work done in shingle mills is of a highly skilled nature. The average wage in our own mills in 1939 was 92.3 cents per hour.

Leaving aside for a moment the details of the statistics you offer, may I suggest it is reasonable to believe the Canadian Government would not have been so eager to eliminate the barriers raised against imports of red-cedar shingles if they had not felt that breaking down that barrier would bring its producers important advantages. Prior to enactment of the new reciprocal-trade treaty Canada was given 25 percent of the United States red-cedar shingle market, and that 25 percent was calculated to absorb 75 percent of Canada's normal red-cedar shingle production. You say that the policy of permitting an unrestricted flow into this country of a commodity directly competitive with our own, and produced with cheap labor, does not and will not have an adverse effect on American producers. Such a statement appears to me not to be in accord with the facts learned from everyday observation, namely, that where two products of the same kind and of equal quality are offered there is a tendency to use the one that can be purchased by the wholesaler for a lower price. To the ultimate consumer the price of the two competing products will be the same, since if they were not the same it would be impossible to sell the product that was higher in price. In other words, the problem of the United States red-cedar shingle industry is not one of price to the consumer, but one of price paid by the wholesaler, and the wholesaler is going to buy the shingles that he can get for the least money. Full evidence has been given you of the difference in cost of production in United States and Canadian shingles, this being at least 60 cents per square.

I believe you will agree with me that it is only common sense that the Canadian Government expected to obtain a definite advantage in the United States market or it would not have so urgently demanded the elimination of the 25-percent quota under which its producers previously operated. I think that you will also agree with me that it is only common sense that to whatever extent the imports increase over the 25-percent quota that was previously allowed, the United States shingle producers will be deprived of their normal domestic market to just that extent.

In the first page of your letter you point out that "the industry cannot be seriously harmed as the provisions of the new agreement have not entered into effect and that the 25-percent quota is still operative."

This statement is made apparently on the assumption that United States business people will be wholly oblivious to the effects of governmental action. However, experience shows, and I think you know, that any action or prospective action taken by the Government immediately causes a recasting of business plans. Shingle wholesalers, who were informed that the 25-percent quota on Canadian shingles would definitely be eliminated and that it was just a question of fixing the date of elimination, could not be expected to act as though the quota would continue indefinitely. The United States trade was informed, by Canadian rumor, early in November 1938, as to the terms of the new shingle concession and the effect on mill price was just the same as though the change in quota had actually been made effective at that time. Buyers of shingles are as smart as buyers of any other product and the anticipation of a flood of Canadian shingles, which might come in at any time, was sufficient to depress the market.

In the second page of your letter you say, however, that actually the domestic market was not depressed. You give certain figures taken from the American Lumberman. However, these figures do not apply to net prices received by the mills and those are the prices about which we are concerned. I stated to you that the effect was to depress shingle prices and that was the case.

I attach hereto an exhibit marked "A," which was supplied by the United States Red Cedar Shingle Industry, Inc., showing that the mill price of 16-inch, No. 1 shingles, declined from a high of \$3.20 on October 4, 1938, to a low of \$2.75 on November 29, 1938.

I also attach an exhibit marked "B" which indicates that the mill price of 18-inch, No. 1 shingles (perfections), declined from \$3.70 on October 11, 1938, to a low of \$3.10 on January 20, 1939. These figures are authoritative as they are obtained weekly by the Red Cedar Shingle Bureau, of Seattle, Wash., from member mills on both sides of the line and are published to members only each week.

I am informed by the Red Cedar Shingle Industry that if your experts will apply the new mill price of No. 1, No. 2, and No. 3 shingles to the entire cut, they will find that our operators have been unable to get back the cost of raw material and labor. In other words, the margin of profit was wiped out in the drop in price.

Your letter also states that although imports were somewhat greater in the early months of this year than in the corresponding months in 1938, they do not appear to have had adverse effects on domestic prices or production as a result of the new trade agreement. Unquestionably, you are referring to the price to the consumer and not to the mill price, as I have indicated.

With regard to production your conclusion is not correct because while you show an increase of 15 percent in American production for the first 3 months of 1939, you have not taken into account that imports increased 77 percent. In other words, if it had not been for the definite knowledge of Canadian shippers that the quota would shortly be off, they would presumably have spread out their shingle exports to the United States over a longer period of time instead of exporting comparatively large quantities with the resultant increase in imports mentioned as compared with the first 3 months of prior years.

Naturally the Canadians made no effort to hold back their exports in view of the fact that they knew they would soon be able to send shingles into the United States without any restriction whatever.

The value of the quota was indicated by the fact that 138 cars of shingles were waiting at the Canadian border when the last quota period closed. If the quota had not been on, those shingles would have come across and surely would have had some effect on the American shingle producer, because he would have had that much less market.

Mr. David M. Williams, secretary-manager of the Red Cedar Shingle Industry, Inc., after going over some of the figures you use, challenges them and points out that the figures you quote from the American Lumberman are at variance with the figures you quote from the Bureau of Labor Statistics.

I gather from your letter that you doubt that mills have been and are being shut down in the United States due to the reciprocal treaties arrangement with Canada. Mr. Williams offers to supply you with sworn statements if you so desire with regard to these mill operations.

I quote from a letter I received from Mr. Williams dated June 12: "Our statement with regard to shut-down was not made idly and if proof is required, we can furnish it together with stories of near labor riots at Everett, Wash. Congressman WALLGREN was in Everett at the time and can testify to the ugly temper of the men."

Specific testimony as to the shut-downs of shingle mills was introduced at the hearings on S. 1720, and you will find this testimony at page 126. I am enclosing copy of the hearings marked at the proper page, and I am also having these data inserted at this point in this letter:

"Mr. HERR. I have the list of mills, showing the time they lost in October, November, and December 1933, and then again the mills that were closed entirely between March 17 and March 30, 1939. The reason I give those dates of March 17 and March 30 is because on the 17th day of March our central office sent out a circular letter requesting that information. The letter stated:

"A late report from Washington, D. C., states that a bill has been introduced in Congress to restore the 25-percent shingle quota. This bill needs much support from our representatives and their constituents if it is to become a law. We are in need of information as to the number of mills now closed. It is very necessary that this information be returned to this office at once."

"That notice went out on the 17th, and the information was compiled on March 30.

"Mr. SEELIG. Can you supply for the record a compilation of what mills were down, and what mills were partly down, and the number of machines running?

"Mr. HERR. Yes.

"Senator BONE. If that information is to be supplied, it ought to go into the record at this point in connection with your testimony.

"Mr. HERR. I do not have the information written up. I will have to supply it later.

"(Mr. Herr supplied the following information for inclusion in the record:)

"The following form was submitted to the unions in all districts:

"SEATTLE, WASH., March 17, 1939.

"To All Local Unions:

"ATTENTION

"A late report from Washington, D. C., states that a bill has been introduced in Congress to restore the 25-percent shingle quota. This bill needs much support from our representatives and their constituents if it is to become a law. We are in need of information as to the number of mills now closed. It is very necessary that this information be returned to this office at once.

"Fill out the form below, and do it as quickly as humanly possible.

"Names of mills now closed Location of mills now closed

"Please do not delay in returning this form to your council secretary.

"Fraternally yours,

"CHARLES A. TEMPLER, Secretary."

(Recapitulation of returns to above inquiry:)

Name of mill and status of operation

Anacortes district:	
Foss Shingle Co.	Not operating.
Washington Shingle Co.	Do.
Corbitt Mill Co.	Do.
Bellingham district:	
Acme Shingle Co.	Do.
Whitcom Falls Mill Co.	Do.
Bloedel-Donovan Mills Co.	Do.
Newcomb Shingle Co.	Do.
Everett district:	
Jamison Mill Co.	Operation curtailed.
William Hulbert Mill Co.	Do.
Super Shingle Co.	Do.
Skalley Shingle Co.	Do.
Bloedel-Donovan Lumber Co.	Not operating.
John McMaster Shingle Co.	Do.
Bear Creek Shingle Co.	Do.
Wayland Mill Co.	Do.

Name of mill and status of operation—Continued

Everett district—Continued.	
Loth Shingle Co.	Not operating.
Woods Creek Shingle Co.	Do.
Simons Shingle Co.	Do.
Lake Stevens Shingle Co.	Do.
Barrington Shingle Co.	Do.
Arlington Shingle Co.	Do.
Williams Shingle Co.	Do.
Quality Shingle Co.	Operation curtailed.
Grays Harbor district:	
Polson Eureka	Not operating.
North West	Do.
Turells Mill	Do.
Kalama district: Long Bell Lumber Co.	Do.
Mineral district:	All mills running.
Olympia district:	
Shelton Reed Mill Co.	Not operating.
Tenino Shingle Co.	Do.
Panama Shingle Co.	Do.
Port Angeles district:	
Ozette Shingle Co.	Do.
Port Angeles Shingle Co.	Do.
Anderson Lumber & Shingle Co.	Do.
Dungenes Timber Co.	Do.
Portland (Oreg.) district:	
Snider Shingle Co.	Do.
Valley Shingle Co.	Do.
Albina Shingle Co.	Do.
Brightwood Shingle Co.	Do.
Tooley Shingle Co.	Do.
Klutch Shingle Co.	Do.
Sterett Shingle Co.	Do.
Water Wheel Shingle Co.	Do.
Clark Wilson Lumber Co.	Operation curtailed.
Mongrain Shingle Co.	Not operating.
Raymond district:	
Andal Shingle Co.	Operation curtailed.
American Shingle Co.	Do.
Port Dock Shingle Co.	Not operating.
Seattle district: Seattle Cedar Shingle Lumber Co.	Normal.
Sedro-Woolley district:	
Skagit Mill Co.	Not operating.
Clear Lake Shingle Co.	Do.
Sutherland & Son	Do.
Mount Vernon Shingle Co.	Do.
Lake Shannon Shingle Co.	Do.
E. C. Phillips Shingle Co.	Do.
Stepheson E. Reno Shingle Co.	Do.
Vaughn Shingle Co.	Do.
Cook Shingle Co.	Do.
H. B. Jones Shingle Co.	Do.
Rowan & Son Shingle Co.	Do.
Bald Mount Shingle Co.	Do.
Tacoma district:	
Large Shingle Co.	Operation curtailed.
St. Paul-Tacoma Lumber Co.	Do.
Spanaway Shingle Co.	Not operating.
Taylor Shingle Co.	Do.
Wheeler district:	
	No report.

"Mr. SEELIG. The shut-down of these mills, in your opinion, was due to the prospective effect of the quota being lifted? That is, the manufacturers were necessarily, in advance of the going into effect of the trade treaty, discounting its effects; is that correct?

"Mr. HERR. No. It was just a question of their not having any business.

"Mr. SEELIG. That is what I am asking. Were they not, in effect, discounting the effect? Let me phrase it another way. When a shingle dealer in this country found out that at a certain date Canadian shingles would be permitted to come in in unlimited quantities, what effect did that have on him with regard to his desire to order from American shingle producers?

"Mr. HERR. It just curtailed all orders; that is all.

"Mr. SEELIG. With the hope that he would get a lower price later?

"Mr. HERR. That is correct.

"Mr. SEELIG. So, the effect of the removal of the shingle quota was felt even in advance of the actual removal?

"Mr. HERR. That is correct."

Again, your letter mentions the alleged abnormal demand caused by a hurricane. I have so often disproved the hurricane myth that I feel reluctant to mention it again. This so-called abnormal demand caused by the hurricane is nothing but a fairy tale, and that is known to the Department because I submitted definite proof showing that the shingle mills of my State were prepared to take care of all orders. I guaranteed to handle those orders through my office and to insure that they would be filled. The net result of my request for orders from those who were asking that Canadian shingles be admitted above the quota in order to satisfy the so-called hurricane demand was orders for only 10 cars of shingles instead of the great number of cars that certain interests said were wanted. The proven fact is that United States produced shingles have been available at all times in proper sizes and in any quantity. The State Department's ex-

perts will not help your case by constantly reiterating the statements that have been proved to be untrue.

Mention is made on page 6 of your letter of the increase in domestic production and shipments in 1939. This increase is undoubtedly due to both the desire of the manufacturers to liquidate log stocks and also to the demand built up by the Government building program. As I previously indicated, imports of red-cedar shingles from Canada in the first quarter of 1939 were 77 percent greater than average imports recorded for the same period in the 3 preceding years.

On page 7 reference is made to prices. The period of recession in business in 1937 and early 1938 is evident in the table presented, and the return to some degree of normalcy is indicated in the figures shown for the first quarter of 1939. But the January 1939 price is only 7 cents higher than the January 1937 price, and the February 1939 price is 12 cents less than 1937, and the March 1939 price is 10 cents less than the March 1937 figure.

It should be noted in connection with these price changes that the average wage per hour in the shingle industry increased more than 13 cents in 1937 and 1938. This means that the injury to the United States shingle industry by reason of the decreased prices is even greater than these figures might indicate.

Mr. Williams challenges the statement made by American consular officers that mills representing 90 percent of the Canadian production are operating on only a single-shift basis, 6 days a week. Mr. Williams refers to a recent report of the British Columbia Commissioner of Labor, who stated that as of January 1939 5 mills out of 10, with 72 machines out of 165, were working 2 shifts. In view of the labor commissioner's report, it seems to me that the reports of the United States consular officers should be rechecked.

I wish to call to your attention that I have submitted to you information giving the names and locations of United States mills that have reduced their production and have also given you detailed information with regard to the differential in cost of production and in wage rates between Canadian and United States mills.

I feel that the State Department is stubbornly refusing to recognize the true state of affairs in the shingle industry, and seeks to argue the matter rather than actually find out what the facts of the case are and act upon them. It seems to me that a strong effort has been made by the Department to justify the Canadian viewpoint with regard to the shingle problem rather than to understand the viewpoint of the United States producers and to act so far as possible in the interests of the United States producers.

Suave assurances by the Department that all the facts have been given careful consideration will not placate the wrath of the employees of the shingle mills who are being deprived of their employment by reason of the competition of cheaply produced Canadian shingles. This wrath no doubt will grow as the full effects of the elimination of the quota become apparent. I venture the prediction that the beginning of a period of severe depression in the United States red cedar shingle industry is under way.

Needless to say, I intend to remind the American people from time to time of the destruction of an important industry in my State due directly to the attitude of the State Department.

Yours sincerely,

HOMER T. BONE.

EXHIBIT A

Red cedar shingle industry, mill price per square, 16-inch, No. 1 (XXXXX)

[Authority, Red-Cedar Shingle Bureau]

	Net mill price
1938	
Oct. 4	\$3.20-\$3.15
11	3.20-3.15
18	3.20-3.15
28	3.15-3.10
Nov. 1	3.15-3.10
8	3.05-3.00
15	2.95-2.90
29	\$2.85-2.80
Dec. 6	2.85-2.75
13	2.85-2.80
20	2.85-2.80
30	2.85-2.80
1939	
Jan. 6	2.85-2.80
13	2.85-2.80
20	2.85-2.80
31	2.90-2.80
Feb. 7	2.90-2.80
17	2.90-2.80
24	2.90-2.80
28	2.90-2.80
Mar. 3	2.90-2.80
10	2.90-2.80
21	2.90-2.80
31	2.90-2.80
Oct. 4	3.60-3.55
11	3.70-3.60
18	3.70-3.60
28	3.70-3.60
Nov. 1	3.65-3.60

EXHIBIT B

Red cedar shingle industry, mill price per square, 18-inch, No. 1 (Perfections)

[Authority, Red-Cedar Shingle Bureau]

	Net mill price
1938	
8	\$3.65-\$3.60
15	3.60-3.50
29	3.50-3.40
Dec. 6	3.50-3.40
13	3.40-3.30
20	3.35-3.25
30	3.35-3.25
1939	
Jan. 6	3.25-3.15
13	3.25-3.15
20	3.20-3.10
31	3.20-3.10
Feb. 7	3.20-3.15
17	3.20-3.10
24	3.20-3.10
28	3.20-3.10
Mar. 3	3.20-3.10
10	3.20-3.10
21	3.20-3.10
31	3.20-3.10

MAY 23, 1939.

The Honorable HOMER T. BONE,

United States Senate.

MY DEAR SENATOR BONE: I refer again to your letters of February 25, February 28, and May 3, 1939, with reference to the provisions regarding red cedar shingles in the new trade agreement with Canada. With the second letter there was enclosed a statement on the subject by the United States Red Cedar Shingle Industry, Inc. I have delayed a further reply to your letters until a careful study could be made of their contents, including the statement of the Red Cedar Shingle Industry.

First, as to your statement and that of the United States Red Cedar Shingle Industry, that the domestic cedar shingle industry has been seriously harmed by the shingle provisions of the new trade agreement with Canada, I should like to point out that those provisions have not yet entered into effect and that the quota established pursuant to the provisions of section 811 of the Revenue Act of 1936, limiting the quantity of shingles that may be imported, is still operative.

Secondly, although imports were somewhat greater in the early months of this year than in the corresponding months in 1938, they do not appear to have had adverse effects on domestic prices or production as a result of the new trade agreement.

The United States average wholesale price on all red cedar shingles, as compiled by the Bureau of Labor Statistics, advanced from \$2.955 per square in August 1938 to \$3 in September and \$3.175 in October. The October price was the highest ever recorded in any month for red cedar shingles, with the exception possibly of 1919 and 1920, when prices were unusually high. Prices of prepared roofing and of building material in general, incidentally, remained practically unchanged and in some cases declined during the last half of 1938.

The United States Red Cedar Shingle Industry contends, however, that the new trade agreement caused prices to fall sharply. On page 1 of the statement of the United States Red Cedar Shingle Industry it is stated:

"The immediate effect, however, was felt in November 1938, following the public announcement of the new agreement. The market broke approximately 17 percent, or 40 to 55 cents per square."

I am not aware upon what source of information the industry bases this statement. Below are the average wholesale prices per square of red-cedar shingles at Seattle, as published in the American Lumberman. It will be recalled that the trade agreement was made public on November 17, 1938.

	Nov. 14	Nov. 28	Amount of change Nov. 28 over Nov. 14	Dec. 10
Royals:				
1-24"-4/2	\$4.45-\$4.60	\$4.45-\$4.50	0 to -10	\$4.45-\$4.50
2-24"-4/2	3.20-3.30	3.20-3.30	0	3.20-3.30
3-24"-4/2	2.30-2.40	2.15-2.25	-15	2.15-2.25
Perfections:				
1-18"-5/2 1/4	3.70-3.85	3.65-3.80	-5	3.70-3.80
2-18"-5/2 1/4	2.70-2.85	2.65-2.80	-5	2.65-2.80
3-18"-5/2 1/4	2.00	2.00-2.10	0 to 10	2.00-2.10
XXXXX:				
1-16"-5/2	3.25-3.30	3.20-3.25	-5	3.20-3.25
2-16"-5/2	2.15-2.25	2.10-2.20	-5	2.15-2.25
3-16"-5/2	1.80-1.85	1.65-1.75	-15 to -10	1.65-1.75

According to this information, the average drop in price of XXXXX shingles was only from 5 to 15 cents per square, and less in the case of Royals and Perfections.

Furthermore, in the last 3 months of 1938, the average wholesale price of shingles was actually higher than it was in the same period in 1935, 1936, and 1937. Compared with the 3 previous years,

United States average wholesale prices for October, November, and December 1938, as compiled by the Bureau of Labor Statistics, were as follows:

	1935	1936	1937	1938
October.....	\$2.859	\$2.525	\$2.713	\$3.175
November.....	2.619	2.525	2.640	2.945
December.....	2.635	2.555	2.525	2.819

The statement of the United States red-cedar shingle industry continues:

"* * * the combination of the break in prices and cancellation of orders caused a large percentage of mills to be shut down, thereby throwing hundreds of men out of work, and causing a confused situation for the manufacturers."

The curtailment of production during the latter part of the year is, of course, just as seasonal an occurrence as is the decline in prices. Below are shown monthly production figures (in squares) compiled by the Bureau of the Census for the last quarter of the past 6 years.

Years	October	November	December
1933.....	332,000	180,000	172,000
1934.....	475,000	382,000	307,000
1935.....	609,000	365,000	368,000
1936.....	576,727	437,978	393,399
1937.....	482,235	381,787	283,896
1938.....	660,024	543,345	424,756

It will be noted that in 1938 production in each of the last 3 months was greater than in any of the previous 5 years.

In January 1939, when Canadian shingles were again permitted to enter, large imports occurred. Owing partly to special factors, such as the demand resulting from the hurricane of September 1938 and the large number of shingles that were shipped to the United States at that time but could not be entered for consumption until January 1, 1939, because the semiannual quota had been filled on September 28, imports in January were 79 percent greater than the average imports in January of the years 1936 to 1938. Imports in the first 4 weeks of January amounted to 304,000 squares. Domestic production, however, was 30 percent higher in January 1939 than the average production in January of the years 1936 to 1938.

On February 15, 1939, in accordance with the provisions of section 811 of the Revenue Act of 1936, which have remained in effect pending the definitive coming into force of the new agreement, a quota for the first half of 1939 was proclaimed, limiting imports during that period to 1,051,168 squares, or 25 percent of consumption during the previous 6 months. The quota was filled on April 14, 1939. The quota for the first half of 1938, which amounted to 916,246 squares, was filled on April 26, 1938. Imports during February, March, and the first half of April, however, did not continue at as great a rate as in the first 4 weeks of January; they averaged 60,000 squares weekly, as compared with 76,000 squares weekly for the first 4 weeks in January.

Meanwhile United States production and shipments continued to increase. In the first 3 months of 1939 (the latest period for which statistics are available) domestic shipments of red cedar shingles amounted to 1,184,308 squares, exceeding by 15 percent the average of 1,033,926 squares recorded for such shipments in the first quarter of the 3 preceding years. The 1939 shipments were 19 percent greater than the shipments of 997,383 squares in January, February, and March 1938. Domestic production in January, February, and March, 1939 was 22 percent greater than in the first 3 months of 1938, totaling 1,248,485 squares in 1939, compared with 1,020,896 squares in the previous year. Prices in the first 3 months of 1939, compared with the 3 previous years, as compiled by the Bureau of Labor Statistics, are shown below.

	1936	1937	1938	1939	Amount of increase, 1939 over 1938
January.....	\$2.553	\$2.750	\$2.494	\$2.825	\$0.331
February.....	2.553	2.950	2.538	2.825	.287
March.....	2.590	2.950	2.600	2.850	.250

The statistics show clearly that, far from being injured by the shingle provisions of the new agreement, the United States industry is producing and shipping more shingles and is receiving higher prices for them this year than last.

The Red Cedar Shingle Industry states that the transportation cost of the finished product is greater from the United States shingle-producing areas to American markets than it is from the Canadian areas, because, while rail rates are about the same, the Canadians enjoy an advantage in water shipments in that they can use the ships of any nation, whereas United States shippers must use American ships at established rates. An examination of import statistics shows that imports of red-cedar shingles into the United

States at Atlantic and Gulf ports during the period January 1 to February 25, 1939, were less than 4 percent of the total imports of 532,000 squares at all districts. Such shipments by water form an insignificant part of lumber cargoes.

The Red Cedar Shingle Industry contends, in addition, that the Canadian mills are running two shifts a day, or 96 hours weekly. The Department is informed by American consular officers in Canada that while some Canadian mills worked overtime in December 1938, since January 1939 all mills belonging to the Consolidated Red Cedar Shingle Association of British Columbia (representing at least 90 percent of production) have operated a single 8-hour shift 6 days a week. It might be added that the double shift referred to would affect costs only through reduction in overhead.

As has been said previously, however, the existing limitations on imports of red-cedar shingles into the United States are in general the same as those that prevailed last year prior to the revision of the Canadian agreement. In connection with the statement and request submitted to the Committee for Reciprocity Information by the United States Red Cedar Shingle Industry, the interdepartmental trade-agreements organization has been giving careful consideration to the whole matter. It will, of course, be realized that the provisions relative to shingles of the new trade agreement with Canada are established by an international agreement duly entered into. However, the interdepartmental trade-agreements organization is always interested in receiving information with regard to the operation of any trade-agreement concession, and the information submitted by the Red Cedar Shingle Industry, together with any further information it may wish to submit in the future, will continue to receive its careful consideration.

In conclusion, I should like to call your attention to a point frequently overlooked by those who, like the American red-cedar shingle producers, produce goods almost exclusively for the domestic market and are therefore apt to minimize the importance of foreign trade. As a matter of fact, there is a direct relationship between foreign trade and domestic prosperity. When imports and exports are large, domestic employment and consumer purchasing power are increased and the domestic market for products of our own industries are improved accordingly.

When United States exports dropped from \$5,157,000,000 in 1929 to the low point of \$1,576,000,000 in 1932, partly as a result of the high tariff rates embodied in the Tariff Act of 1930 which helped to bring about and prolong the depression, great numbers of our workers were deprived of their employment and were unable to buy the goods produced by others in the United States, including shingles. The trade-agreements program is designed to restore and expand our foreign trade by means of mutually profitable agreements involving reciprocal adjustments of excessive trade restrictions, and thereby to increase domestic business activity, employment, and consumer purchasing power to the benefit of domestic producers and workers generally. This is of vital importance to all American producers, whether they participate directly in our exports or produce solely for the domestic market since the prosperity of the latter is in such great measure dependent upon the prosperity of our foreign trade.

Sincerely yours,

CORDELL HULL.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT—CONFERENCE REPORT

Mr. NORRIS. Mr. President, I send to the desk for printing in the RECORD the conference report that has just been agreed to by the conferees on the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933. The parliamentary situation is that the House will have to act first. I am merely requesting that the report be printed in the RECORD for the information of the Senate.

Mr. SMITH. Mr. President, am I to understand that the House Members have also signed the report?

Mr. NORRIS. Yes. Three of the House Members have signed it.

There being no objection, the report was ordered to lie on the table and to be printed in the RECORD, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Tennessee Valley Authority Act of 1933, as amended, is amended by adding after section 15a the following new sections:

"Sec. 15b. No bonds shall be issued by the Corporation after the date of enactment of this section under section 15 or section 15a.

"Sec. 15c. With the approval of the Secretary of the Treasury, the Corporation is authorized, after the date of enactment of this section, to issue bonds not to exceed in the aggregate \$61,500,000. Such bonds may be sold by the Corporation to obtain funds which may be used for the following purposes only:

"(1) Not to exceed \$46,000,000 may be used for the purchase of electric utility properties of the Tennessee Electric Power Co. and Southern Tennessee Power Co., as contemplated in the contract between the Corporation and the Commonwealth & Southern Corporation and others, dated as of May 12, 1939.

"(2) Not to exceed \$6,500,000 may be used for the purchase and rehabilitation of electric utility properties of the Alabama Power Co. and the Mississippi Power Co. in the following-named counties in northern Alabama and northern Mississippi: The counties of Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar in northern Alabama, and the counties of Calhoun, Chickasaw, Monroe, Clay, Lowndes, Oktibbeha, Choctaw, Webster, Noxubee, Winston, Neshoba, and Kemper in northern Mississippi.

"(3) Not to exceed \$3,500,000 may be used for rebuilding, replacing, and repairing electric utility properties purchased by the Corporation in accordance with the foregoing provisions of this section.

"(4) Not to exceed \$3,500,000 may be used for constructing electric transmission lines, substations, and other electrical facilities necessary to connect the electric-utility properties purchased by the Corporation in accordance with the foregoing provisions of this section with the electric-power system of the Corporation.

"(5) Not to exceed \$2,000,000 may be used for making loans under section 12a to States, counties, municipalities, and non-profit organizations to enable them to purchase any electric-utility properties referred to in the contract between the Corporation and the Commonwealth & Southern Corporation and others, dated as of May 12, 1939, or any electric-utility properties of the Alabama Power Co. or Mississippi Power Co. in any of the counties in northern Alabama or northern Mississippi named in paragraph (2).

"The Corporation shall file with the President and with the Congress in December of each year a financial statement and complete report as to the expenditure of funds derived from the sale of bonds under this section covering the period not covered by any such previous statement or report. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding $3\frac{1}{2}$ percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of $3\frac{1}{2}$ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. None of the proceeds of the bonds shall be used for the performance of any proposed contract negotiated by the Corporation under the authority of section 12a of this act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds under this section shall expire January 1, 1941, except that if at the time such authority expires the amount of bonds issued by the Corporation under this section is less than \$61,500,000, the Corporation may, subject to the foregoing provisions of this section, issue, after the expiration of such period, bonds in an amount not in excess of the amount by which the bonds so issued prior to the expiration of such period is less than \$61,500,000, for refunding purposes, or, subject to the provisions of paragraph (5) of this section (limiting the purposes for which loans under section 12a of funds derived from bond proceeds may be made) to provide funds found necessary in the performance of any contract entered into

by the Corporation prior to the expiration of such period, under the authority of section 12a."

And the House agree to the same.

E. D. SMITH,
B. K. WHEELER,
ELMER THOMAS,
G. W. NORRIS,
CHARLES L. McNARY,

Managers on the part of the Senate.

A. J. MAY,
EWING THOMASON,
DOW W. HARTER,

Managers on the part of the House.

AMENDMENT OF SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 6635) to amend the Social Security Act, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday afternoon the Senator from Texas [Mr. CONNALLY] gave notice that, after the expiration of the armistice this morning, he would like to renew the battle on the pending question, which is the amendment of the Senator from Texas. So, the Chair thinks he should recognize the Senator from Texas.

Mr. HARRISON. Mr. President—

Mr. CONNALLY. I yield to the Senator from Mississippi.

Mr. HARRISON. Mr. President, I am wondering how many speeches there are to be made on this particular amendment. I understood that the Senator from Oklahoma [Mr. LEE] was going to offer an amendment after the disposition of the pending amendment. Due to the sudden death of one of our colleagues in the other House, several Senators will have to leave as members of the funeral party. I had hoped that the Senate might obtain a vote on the pending amendment at an early hour. I do not, however, desire to cut off any Senator from making a speech on it.

Mr. BYRD rose.

Mr. HARRISON. I understand the Senator from Virginia desires to speak on the amendment?

Mr. BYRD. I do.

Mr. HARRISON. Mr. President, I inquire if we could vote on this particular amendment at 1:30 p. m. today?

Mr. McNARY. Mr. President, at this time, I do not think, without further consideration of the matter, I could consent to that.

Mr. HARRISON. Very well.

Mr. CONNALLY. Mr. President, I do not care to detain the Senate long on this amendment; but some Senators who now are present were not here yesterday, and I feel it necessary briefly to refer to what the amendment proposes.

As was explained yesterday, the amendment simply provides that in the matter of old-age pension payments the Federal Government shall contribute two-thirds of the payments up to a total of \$15, and that after the payments reach \$15 the contributions shall be equal, as under the present law. In other words, the Federal Government puts up \$10 and the State puts up \$5, making \$15, and from that point on the amounts are equal; the purpose of the amendment being to encourage and stimulate the States which now, either by reason by having exhausted their available tax resources or from any other cause, have not provided substantial old-age pension payments.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I do.

Mr. McKELLAR. It is unquestionably true, is it not, that this arrangement applies to all the States exactly alike?

Mr. CONNALLY. Exactly.

Mr. President, I wish to make it clear to all Senators who may have labored under any misapprehension yesterday because of the debate regarding the rich and the poor States that this amendment does not discriminate in any-wise against any State. It applies to the rich States just

as it does to the poor States. It simply relates to the ratio of the initial contribution, so that a rich State receives the same consideration that a poor one does, and a poor State enjoys the same opportunity and the same consideration as a rich State, except in the amount of stimulation. I think the amendment will stimulate and have a greater effect upon the poor States to encourage them to exert themselves to the utmost to meet the requirements necessary to obtain a substantial Federal payment than it will, perhaps, in the case of the rich States; but, so far as the law and its application are concerned, every State has the same opportunity, and there is no discrimination whatever.

Mr. HATCH. Mr. President—

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. I do.

Mr. HATCH. The Senator has stated that under his amendment there would be no discrimination. I ask him if it is not true that by reason of the inability of some of the States to match the payments of the Federal Government on a strict 50-50 basis the present law discriminates against the poorer States in favor of the richer States?

Mr. CONNALLY. The Senator from New Mexico is correct. Technically, of course, the present law applies to every State alike; but in actuality and in practice, what happens in the case of the poorer States was described by the Senator from Arkansas [Mr. MILLER] yesterday when he stated that his State had exhausted its tax resources, and was not contributing anything to all the other Federal matching programs, but that in the case of old-age pensions all that it had been able to pay so far was \$3.08 per head. In a case of that kind, by putting up \$2 more, Arkansas would be enabled to pay its pensioners a total of \$15, and every other State could do the same thing and receive the same ratio of contribution from the Federal Government.

Mr. BORAH. Mr. President—

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. Assuming that the State and the Federal Government put up the amounts provided for, what is the full amount which the pensioner would receive?

Mr. CONNALLY. Under the present law?

Mr. BORAH. No; under the Senator's amendment.

Mr. CONNALLY. Under the pending bill the maximum has been increased by the House from \$30 to \$40.

Mr. BORAH. And each pays half?

Mr. CONNALLY. And each pays half. Under the amendment which I offer the Federal contribution would be \$2.50 more than the State contribution. In other words, by putting up \$10 the State could pay its pensioners \$25; by putting up \$15 it could pay them \$35; and so forth and so on, up to a maximum of \$40.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Washington?

Mr. CONNALLY. I yield.

Mr. SCHWELLENBACH. So that I may understand the Senator's amendment and get it down to fractional figures, I should like to ask the Senator if this calculation is correct: At the present time in my State we pay \$22, \$11 being paid by the State and \$11 by the Federal Government. As I figure, under the Senator's amendment the State would pay \$5 and the Federal Government \$10. That would make \$15.

Mr. CONNALLY. Yes.

Mr. SCHWELLENBACH. Assuming that the State paid the same amount as at present, \$11—\$6 more than the \$5 I have just mentioned—the Federal Government then would put up an additional \$6, which would make \$12, increasing the total amount from \$22 to \$27.

Mr. CONNALLY. That is correct.

Mr. SCHWELLENBACH. And if each put up the maximum amount of \$20 under the House provision, the total additional amount would be \$9 more from the State and \$9 more from the Federal Government, or \$18 more, or a total of \$45 to the individual pensioner.

Mr. CONNALLY. No; under the bill I think the maximum is \$40. The Federal Government may not contribute more than a maximum of \$20. The State may pay any additional amount it desires. It may raise the amount to \$50 if it wants to do so.

Mr. SCHWELLENBACH. But, at any rate, under the present system, whereby the State of Washington pays \$11, the pensioner would receive \$27 instead of \$22?

Mr. CONNALLY. That is correct.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. In answer to a query from the senior Senator from Idaho [Mr. BORAH], the Senator from Texas referred to the fact that the increase in the Federal contribution would be \$2.50.

Mr. CONNALLY. The amount would be \$2.50 more than it is now.

Mr. BURKE. That is the increase over the present amount. That seems a very small amount. I was not here during the entire time the Senator was addressing the Senate yesterday. Did he state the total increased cost to the Federal Government which would result from the adoption of this amendment?

Mr. CONNALLY. I did not; but I can do so. I have an estimate before me.

Mr. BURKE. When it is reduced to \$2.50 per individual, that seems to be a very reasonable amount; but I wondered what the total would be.

Mr. HARRISON. Mr. President, if the Senator will yield, the estimate is that this arrangement would entail an additional cost of \$80,000,000 to the Federal Treasury.

Mr. BURKE. Eighty million dollars a year?

Mr. CONNALLY. That is correct.

Mr. BURKE. The only further question I should like to ask the Senator is, Has he given consideration to the question where the Federal Government is to get the additional \$80,000,000 per year?

Mr. CONNALLY. Of course. I do not provide for it in this bill.

Mr. BURKE. No; naturally not.

Mr. CONNALLY. Of course the Senator from Nebraska knows, however, as the Senator from Texas knows, that all the money we are spending is going to have to come out of the pockets of the taxpayers. It is going to have to come out of the pockets of some of the taxpayers in Illinois about whom the Senator from Virginia [Mr. BYRD] was talking yesterday. A great hunk of it will have to come out of the rich men in Illinois; and about January 1941, no matter who is President, and no matter who constitute the Senate, the Finance Committee of the Senate will have to report a tax bill that will jerk some taxpayers out of their boots. We all know that; and that is where the money has to come from, just as the money for all other Federal expenses. It must come from those who have it. It cannot be raised by taxing poverty.

Mr. BURKE. Mr. President, just one further question. I understand, then, that the Senator has no qualms about imposing by this amendment a further tax burden of \$80,000,000 a year on the country for this which he evidently considers a most worthy and deserving purpose.

Mr. CONNALLY. I have not. Let me say further to the Senator from Nebraska that if this \$80,000,000 does not come out of the Federal Treasury it is going to come out of the treasuries of some of the States, or else the old people will not get it. The old-age pensioners either will not get it or the additional amounts will come out of the treasuries of the States.

Who puts up the money in the States? The same people who pay Federal taxes. The \$80,000,000 will have to come out of either the Treasury of the Federal Government or the treasuries of the State governments. The Federal Treasury represents the comparative economic ability of people to pay taxes more nearly than do the treasuries of the individual States, for the reason I suggested yesterday, namely, that in the great commercial and financial centers built up by the

contributions of people from every section of the United States there are aggregated and concentrated the great wealth and the great taxpaying ability, so that such centers should contribute out of their taxes to a project that is for the general welfare of all the people of the United States. I have no hesitation and no qualms of conscience about voting \$80,000,000 more out of the Federal Treasury when it lessens by just that much the burdens on State governments, many of which have already practically exhausted their taxing resources upon real estate and upon homes and homesteads and visible property that the tax collector can see, and whose taxes are not levied upon the basis of income, or upon the basis of the real resources and financial strength of the great centers of wealth and population.

Mr. BURKE. Mr. President, will the Senator yield for one further question?

Mr. CONNALLY. I am glad to yield.

Mr. BURKE. Then why does not the Senator from Texas go the whole way? If the tax burden ought to be borne by the Federal Government, why not accept the amendment to be offered and have the entire amount paid by the Federal Treasury, or, at least, why set the payments at two-thirds and one-third? Why not make them three-fourths and one-fourth?

Mr. CONNALLY. Will the Senator vote for such a proposal if I will?

Mr. BURKE. I will consider that after the Senator offers it.

Mr. CONNALLY. Of course, the Senator would not vote for it. The Senator from Nebraska is not for it. His question was supposedly asked for purposes of information. Its real purpose—

Mr. BURKE. I have not received any information. [Laughter.]

Mr. CONNALLY. I will answer it. The real purpose was to "flabbergast" the Senator who has the floor. The Senator stated that he was not here yesterday.

Mr. BURKE. Not all of the time.

Mr. CONNALLY. His question proves it, because I explained yesterday, and I will reexplain now for the Senator, though it seems to me that if the Senator was not here yesterday he should have read the CONGRESSIONAL RECORD and have informed himself of what happened yesterday—

Mr. BURKE. I much prefer to have the Senator explain it again in his own way; it is so much more interesting. [Laughter.]

Mr. CONNALLY. I thank the Senator. The Senator has bribed me into making a full disclosure. [Laughter.]

I will say to the Senator that I do not favor requiring the Federal Government to pay all the cost, for the reason that, under the law, we permit the States to administer the act; we allow the States to select all the employees; we allow the States to determine to whom old-age pensions shall be paid; and as we do that, I stated on yesterday that, in my opinion, the States ought to participate financially in the program; they ought to feel the responsibility that goes along with the raising of the revenue from their own taxpayers and its expenditure. It is so much easier to spend other people's money than our own money. I do not know what will happen in the years to come, but I believe that now, at least, in the experimental and first years of this plan we should insist that the States make a financial contribution.

If the Senator will observe, my amendment does not refer to two-thirds of all of the cost; it refers only to the amount up to \$15, and that is for the purpose of reaching those in the lower brackets. If a man is hungry in Arkansas, his appetite is no more satisfied by \$3.08 than it would be in any other State of the Union. By the enactment of the law the Federal Government indicated that it had an interest in the old-age pension system. We did not have to pass the law, but we enacted it, and we said to the States, "Now, you come in." If the Federal Government has any sense of obligation or responsibility, how is that met by paying a man in Arkansas \$3.08, as against \$15 to a man similarly situated residing in the State of California?

Mr. BURKE. Mr. President, if the Senator will pardon me, a complete answer was given to my query by the Senator in his statement that it is so much easier to spend other people's money than our own.

Mr. CONNALLY. That is correct, and I thank the Senator. I am glad I satisfied his curiosity. I think he had that in his mind all the time but merely wanted the Senator from Texas to confirm his judgment. [Laughter.] I appreciate very much having the opportunity.

Mr. BORAH. Mr. President, I do not intend to oppose the Senator's amendment, because a State would be required to put up part of the money, but if we are to take care of the old-age pension problem it will not be long, it seems to me, before the Federal Government will have to take care of the entire matter.

Mr. CONNALLY. That may be.

Mr. BORAH. As the Senator has said, merely because an old person lives in a State which cannot contribute is no reason why he or she should go hungry or in need. Sometime or other we are going to have to take care of this problem on a national basis. I do not say that the Senator is not justified at the present time, but we may look forward to it, because it is coming. We are moving rapidly in that direction.

Mr. CONNALLY. Permit me to say to the Senator from Idaho that, as I indicated a moment ago, perhaps at some time in the future the system will be entirely federalized, but as practical legislators, the Congress is not now ready to place the entire responsibility on the Federal Government. It has been tested out in the committees and in the House of Representatives, and the Congress is not ready to do it. The amendment of the Senator from Texas, according to the view of the Senator from Idaho, is an improvement on the present law; so I do not see how the Senator from Idaho can refrain from voting for the amendment I now offer, entertaining the views he does entertain.

Mr. BORAH. I am not indicating that I will vote against it.

Mr. CONNALLY. I am indicating that I hope the Senator will vote for it.

Mr. BORAH. I will say that I am going to vote for the Senator's amendment, with the understanding that if I can get a chance to vote for a better amendment, I will vote for it.

Mr. CONNALLY. Certainly; that is in keeping with the Senator's reputation here. He votes for a better amendment if he gets the chance, and I applaud him. I am always very comfortable if the Senator from Idaho and I are traveling in the same company.

Mr. HILL. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. HILL. The Senator from Idaho has made very clear the situation, that it makes no difference in what State a couple may live, there is a minimum on which that couple can live and have anything like a livelihood, meat, and bread for their support. As the Senator remembers, we passed a wage and hour law which was to apply to all the States of the Union, and we laid down a standard of minimum wages which employers would have to pay. We did not provide one minimum for one State and another minimum for another State. The same minimum applies throughout all the 48 States of the Union; and certainly there is a minimum amount which can suffice as an old-age pension. As the Senator has stated, the Federal Government having recognized its responsibility in this matter, it ought to see to it that a minimum applies throughout the Union in all the States.

Mr. CONNALLY. Mr. President, I thank the Senator from Alabama, and, replying to both the Senator from Alabama and the Senator from Idaho, I wish to say that we have been operating under the Old-Age Pension Act for only a few years, and, as in the case of all new and experimental legislation, we have to rely largely on our experience under it. It may be that later on the Federal Government will take over

the entire responsibility, but up to the present time it has not done so, and I do not think it is prepared to do so, because this issue was tested in the House and, when the votes were taken, was wholly rejected.

Since we allow the States to select the objects of this gratuity or bounty and allow the States to administer the act, I think we must see to it that the States have some responsibility financially. If we finally take over the system federally, probably we will set up our own administration. So I hope the Senator from Idaho and the Senator from Alabama will vote with me.

Mr. HILL. Mr. President, I may say to the Senator that there is no doubt about my vote. I am wholeheartedly with him and will vote for the amendment.

Mr. CONNALLY. I thank the Senator. I hope he will use his influence among his colleagues and line up some additional votes.

I have information here as to both the State and Federal contributions. The following States are paying now less than a total of \$15 a month. Vermont, the State of my distinguished friend, the temporary leader on the other side, I regret to advise is now paying only \$14.47. Under my amendment it would pay several dollars more per month.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. AUSTIN. Does not the Senator regard that as an adequate payment under all the circumstances?

Mr. CONNALLY. I am not criticizing it. I am going to include my State with Vermont. I am telling the facts, and showing that the effect of the amendment will be to increase the payments so that the old men and old women in Vermont will receive more under my amendment than they are now receiving, and they will receive more in every other State, because the amendment does not discriminate against any State.

The State of Texas is next to Vermont in the list, although geographically it is at the extreme of the country. Texas at the present time pays only \$13.84. It ought to pay more. The old people will get more under the amendment, and under the amendment Texas will pay more, because it will be stimulated to increase its contribution.

Florida pays \$13.84; West Virginia pays \$13.79; Tennessee pays \$13.23; New Mexico pays \$11.15; Delaware pays \$10.84. Under the amendment the allocation to Delaware would be greater than it is at present. Louisiana pays \$10.26. The State of Virginia, great in history, great in tradition, great in memories, but a little shy in old-age pensions, pays \$9.54. [Laughter.] Alabama pays \$9.51; North Carolina pays \$9.36; Georgia pays \$8.73; South Carolina pays \$7.40; Mississippi pays \$6.92; and Arkansas pays \$6.15.

Let me say to Senators, further, that no odium attaches to the fact that some of the States have paid such relatively small amounts. Many do not realize the burden in Mississippi, for instance, caused by a certain racial population there which contributes practically nothing in taxes, yet constitutes a great burden on the old-age pension roll. Is Mississippi to blame for that? I say it is not. Mississippi has to take care of its old people, and it has to educate its children. It has to do that out of its resources. It is a State which does not possess great natural resources, a State which does not have a Detroit within its boundaries, a State which does not have a Chicago within its boundaries, or a New York, or a Philadelphia.

Mr. President, I do not wish to take up any more of the Senate's time on this proposal. I wish to stress the point that my amendment does not discriminate against any State. Its purpose is to provide an advantage and a benefit to the old-age pensioners in every State in the Union, and to be of help and aid to the treasuries of the States.

I wish to speak of the cost. No one can tell exactly what it will be, but the distinguished Senator from Mississippi has already indicated what it may be. I received a letter from

Dr. Altmeyer, the chairman of the Social Security Board, who appeared before the Senate Finance Committee and heard the amendment discussed. He stated what in his opinion the minimum and maximum cost would be, but he finally arrived at the view that it would not cost the Federal Government more than \$80,000,000 annually. Whatever additional cost it may put on the Federal Government means that it will relieve the States of that much of a burden.

Mr. President, the amendment ought to be adopted, and I am confident that, if Senators will reflect upon it, they will vote in favor of it, and give the needed relief.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Texas [Mr. CONNALLY].

Mr. BYRD obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield to me in order that I may place in the RECORD a telegram which seems appropriate to the Senator from Vermont in view of the remarks made by the distinguished Senator from Texas?

Mr. BYRD. I yield.

Mr. AUSTIN. I happen to have a telegram from the administrator of the State plan for old-age assistance, which I should like to read into the RECORD at this point. It is as follows:

MONTPELIER, VT., July 6, 1939.

Senator WARREN R. AUSTIN:

Allocation of funds for old-age assistance to the States on a variable basis would lead to endless political and economic abuse, destroy all sound principles of grants-in-aid, break down means test, and eventually wreck public assistance program. Byrnes and similar proposals of amendments to Social Security Act tremendously dangerous.

W. ARTHUR SIMPSON.

Mr. BYRD. Mr. President, the amendment offered by the Senator from Texas [Mr. CONNALLY] was very carefully considered by the Senate Finance Committee and was defeated in that committee by a vote of 13 to 6. In addition to that, the amendment offered by the Senator from Texas is opposed by the Chairman of the Social Security Board.

I wish to read from the record of the hearings held before the Senate Finance Committee. The Senator from Texas [Mr. CONNALLY] asked this question of Mr. Altmeyer:

Senator CONNALLY. What would you say to this: Instead of undertaking this so-called variable in proportion to the income, suppose the Federal Government would make a flat contribution of two-thirds out of the first \$15, the Federal Government pay \$10 and the State pay \$5?

Mr. ALTMAYER. I think anything like that is very dangerous.

Senator CONNALLY. Why?

Mr. ALTMAYER. If you provide a higher variation of the matching on the first \$15, or \$20, or \$25, you will have cases of partial dependency or even total dependency in the low-cost area being treated probably more liberally in proportion to the cases of people in need above that amount. Because the State is receiving a higher matching on certain payments there is a tendency for the State to concentrate upon those sort of cases where they can get the higher matching ratio. In other words, I think there would be a considerable tendency to freeze at or below any figure such as that which is set.

Secondly, I would say that with so much of the revenue of the Federal Government being derived from nonprogressive taxes—that is, not from income and inheritance taxes but from taxes of a more or less regressive character (and more than 50 percent of the revenue of the Federal Government is of that character) it would mean that under any formula like that, while the intent would be to put more money into the poorer State, that intent might be offset to a considerable extent by the fact that those same poorer States are paying into the Federal Government these nonregressive taxes of one sort or another.

So here is a very vital and important amendment, Mr. President, which the Chairman of the Social Security Board says would be very dangerous for the Congress to adopt.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CONNALLY. Does not the Senator from Virginia, however, also know that Mr. Altmeyer favored the Byrnes amendment, which would have discriminated as between the States by making the rich States pay a higher amount, and is it not true that Mr. Altmeyer's objection was due not so much to the contribution but to his fear that it

would have an influence in stopping the payments at \$15 and not making them larger? He was not pleading for economy. He was pleading for increased expenditures.

Mr. BYRD. I have read Mr. Altmeyer's statement which gives in full his reasons. It is true that Mr. Altmeyer does favor the variable suggestion made by the Senator from South Carolina [Mr. BYRNES], but that is a vitally different proposal from the one made by the Senator from Texas.

Mr. President, I wish it clearly and distinctly understood that I favor adequate and reasonable old-age assistance to those in need. I am opposing the Connally amendment because it is the first step toward breaking down a cooperation on a 50-50 basis which has existed between the Federal Government and the States with respect to various activities, starting first in 1898. It is the beginning of the adoption of the so-called Townsend pension plan.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. HILL. Can the Senator advise us what disposition was made of the Byrnes amendment by the Finance Committee?

Mr. BYRD. The Byrnes amendment was defeated in the Finance Committee by practically the same vote by which the Connally amendment was defeated.

Mr. President, in 1898 the first cooperation with the States was undertaken by the National Congress on a 50-50 basis, the Federal Government paying 50 percent of the expenditures and the States paying 50 percent. That was done under a bill which was passed on July 1, 1898, relating to the United States and the State of California, each to pay one-half of certain expenses under the California Debris Commission Act.

Then, in 1916 the Federal Aid Road Act was passed, whereby the Federal Government paid 50 percent of the cost of construction of certain roads and the State government paid 50 percent.

Then on February 23, 1917, the Smith-Hughes Act was passed providing for cooperation in promotion of vocational education.

On July 9, 1918, an act was passed providing for cooperation between the States and the Federal Government in the matter of prevention and control of venereal diseases, 50 percent to be paid by the Federal Government and 50 percent to be paid by the States.

On January 27, 1920, an act was passed providing for payments to States for disabled veterans in State homes.

On June 2, 1920, an act was passed providing for cooperation in promotion of vocational rehabilitation of persons disabled in industry, 50 percent to be paid by the Federal Government and 50 percent to be paid by the States.

On November 23, 1921, an act was passed providing for cooperation in the matter of welfare and hygiene in connection with maternity and infancy cases.

On June 7, 1924, an act was passed providing for cooperation between the States and the Federal Government in the protection of forest lands.

On June 6, 1933, the Wagner-Peyser Act was passed providing for cooperation with States in the development of systems of public employment offices.

On June 29, 1935, the Bankhead-Jones Act was passed providing for cooperation between the Federal Government and the States in connection with agricultural activities.

Mr. President, should the amendment offered by the Senator from Texas prevail it will result in the first important departure from this 50-50 basis of cooperation between the States and the Federal Government.

Mr. President, I ask that a list of acts of Congress providing for State cooperation on a 50-50 basis be printed in the Record at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The list is as follows:

Acts of Congress for State cooperation—Percentage of Federal contribution

Act of July 1, 1898 (30 Stat. 631; U. S. C. 33:686). United States and California each to pay half of certain expenses under California Debris Commission Act. (See also 30 Stat. 1148)	50
Act of Mar. 4, 1911 amended by act of Aug. 11, 1937 (36 Stat. 1353, ch. 265; 50 Stat. 621, ch. 580; U. S. C. 34:1121-1123). Aid in support of nautical schools	50
Act of Mar. 4, 1913 (37 Stat. 843; U. S. C. 16:501). Secretary of Agriculture may cooperate with State authorities in construction of roads and trails in national forests. (Amended by act of May 11, 1938, 52 Stat. 347, ch. 197, Public, No. 505)	50
Federal Aid Road Act of July 11, 1916, amended by act of Feb. 28, 1919 (39 Stat. 355-359, 49 Stat. 1200-1202; U. S. C. 16:503; 23:12a, 42, 48). Cooperation in construction of rural post roads, etc. (Largely superseded by Federal Highway Act of Nov. 19, 1921, below)	50
Smith-Hughes Act of Feb. 23, 1917 (39 Stat. 929-936; U. S. C. 20:11-28). Cooperation in promotion of vocational education. (See also act of June 8, 1938, below)	50
Act of Mar. 1, 1917 (39 Stat. 943-951; U. S. C. 33:701-704). Cooperation in flood-control work, Mississippi and Sacramento Rivers. (See also act of May 15, 1928, below)	50
Act of July 9, 1918 (40 Stat. 886-887, par. 4; U. S. C. 42:25). Cooperation with States in prevention and control of venereal diseases. (Amended by act of May 24, 1938, below)	50
Act of Jan. 27, 1920 (41 Stat. 399, ch. 56; U. S. C. 24:134). Payments to States for disabled veterans in State homes. (Supersedes similar act of Aug. 27, 1888 (25 Stat. 450, ch. 914) as amended by act of Mar. 2, 1889 (25 Stat. 975))	50
Act of June 2, 1920, amended by acts of June 9, 1930, and June 30, 1932 (41 Stat. 735-737; 46 Stat. 524-526; 47 Stat. 448-450; U. S. C. 29:31-44). Cooperation in promotion of vocational rehabilitation of persons disabled in industry. (See also par. 531 of Social Security Act of Aug. 14, 1936, and act of June 20, 1936, par. 5, below)	50
Federal Highway Act of Nov. 9, 1921 (42 Stat. 212-219; U. S. C. 23:1-25). Cooperation in construction of public highways, as amended. (See Federal Aid Road Act above)	50
Act of Nov. 23, 1921 (42 Stat. 224-226) repealed Jan. 22, 1927 (44 Stat. 1024). Cooperation in promotion of welfare and hygiene of maternity and infancy	50
Act of June 7, 1924, amended by acts of Mar. 3, 1925, and Apr. 13, 1926 (43 Stat. 653-655; 1127-1128, and 1132, ch. 457, par. 1; 44 Stat. 242; U. S. C. 16:499, 564-570). Cooperation in protection of forest lands, etc.	50
Act of Apr. 10, 1928 (45 Stat. 413, ch. 335; U. S. C. 20:69, 70). Secretary of Smithsonian Institution authorized to cooperate with States in ethnological researches among American Indians	50
Wagner-Peyser Act of June 6, 1933, amended by acts of May 10, 1935, and June 29, 1938 (48 Stat. 113-117; 49 Stat. 216-217; 52 Stat. 1244-1245, ch. 816, Public, No. 782, U. S. C. 29:49, 49a-49L). Cooperation with States in development of system of public employment offices	50
Bankhead-Jones Act of June 29, 1935 (49 Stat. 437-439; U. S. C., Supp. 7:343c, 343d, 427-427-g). Allotments to States for research in basic problems of agriculture, by agricultural experiment stations, appropriation of up to \$12,000,000 a year additional for agricultural-extension work, and additional appropriation of \$1,500,000 a year for agricultural and mechanic arts colleges, authorized. (See also acts of Mar. 2, 1887, Aug. 30, 1890, and May 8, 1914)	50
Titles I, V, and X of Social Security Act of Aug. 14, 1935, amended by Railroad Unemployment Insurance Act of June 25, 1938	50
Act of Aug. 29, 1935 (49 Stat. 963-965; U. S. C., Supp. 16:567a-c). Cooperation with States in forest-land management, etc.	50
Act of June 8, 1936 (49 Stat. 1488-1490; U. S. C., Supp. 20:15h-15p). Federal aid to States for vocational education (supplementing act of Feb. 23, 1917)	
Act of July 3, 1930 (46 Stat. 945; U. S. C. 33:426). Cooperation with States in shore-erosion investigations. (See also act of June 26, 1936)	
Act of June 15, 1936, amended by act of Aug. 28, 1937 (49 Stat. 1509-1512, pars. 4, 5, 8a, 12; 50 Stat. 880, par. 6; U. S. C., Supp. 33:702a 1-10, 702b-1, 702j 1-2, 702k 1-2). Cooperation required of States, etc., in Mississippi River flood control. (See also act of June 28, 1938.)	
Act of June 22, 1936, amended by acts of July 19, 1937, and Aug. 28, 1937 (49 Stat. 1570, par. 1; 1571, par. 3; 50 Stat. 518, 877, par. 4; U. S. C., Supp. 33:701a, 701c). Cooperation with States, etc., for flood control on navigable rivers. (See also act of June 28, 1938.)	
Federal Aid Highway Act of June 8, 1938 (52 Stat. 633-636, ch. 328, Public, No. 584). Cooperation in construction of public highways (with amendments to Federal Highway Act of Nov. 9, 1921).	

Mr. McKELLAR. Mr. President, will the Senator yield?
Mr. BYRD. I yield.

Mr. McKELLAR. The Senator will recall that in the latter part of June of this year we passed a bill providing for relief. That is substantially what the present bill is—a bill for relief of the aged. In June we passed a relief bill under which the Government pays 75 percent, and the States for the first time were required to pay even as much as 25 percent. So the pending bill is very much more liberal to the Federal Government than the relief bill which we passed in June. That was on a 25-percent to 75-percent basis. I do not know exactly how the proportions will work out in order that the entire \$40 will be paid, but they will be somewhere in the neighborhood of 45 percent and 55 percent.

Mr. BYRD. Mr. President, I cannot agree with the Senator from Tennessee when he says that the pending bill is of the same nature as the measure providing relief to those who are in need of the necessities of life, which deals with an emergency situation, which, I presume, the Senator thinks will some day end in this country.

Mr. McKELLAR. I hope it will.

Mr. BYRD. That is not on the same basis at all with a permanent system providing for old-age assistance.

Mr. McKELLAR. I think there is great similarity between them. I think there is a great deal of similarity between old persons and others who need relief at this time.

Mr. BYRD. I am sorry I cannot agree with the Senator.

Mr. McKELLAR. The old people have to be relieved also.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Colorado. I may remind the Senator from Virginia that the relief program to which the Senator from Tennessee is referring is only part of the relief program of the whole United States. In other words, the relief program of which the Senator from Tennessee is speaking is the work-relief program. In addition to that we have a direct-relief program, and the direct-relief program is entirely financed by the counties and the States. The Federal Government has no part in it whatsoever, and it amounts to a very large sum.

The Federal Government has no part in relief as relief. It does have a part in work relief; and now, under a new formula which has been adopted, the sponsors of the projects must put up 25 percent. So in the matter of relief, as a matter of fact, the States put up 25 percent as against the Federal Government's 75 percent.

Mr. BYRD. I thank the Senator for his contribution.

Mr. President, what about the cost of this amendment? I regard this as a very important proposal. Today 1,838,359 persons are receiving old-age pensions. There are in the United States 8,200,000 persons above 65 years of age. About one-fifth of those over 65 years of age are now receiving old-age assistance. We must recognize that some day the cost of this program must be paid. I assume that everybody, no matter how anxious he may be to pay pensions and old-age assistance to citizens of the country, knows that sooner or later the Budget of the Federal Government must be balanced, and that taxes must be collected to do so.

Let us assume that one-half of those over 65 years of age will sooner or later be eligible for old-age assistance. I think I am modest and conservative in making that statement. I believe the time is coming when more than one-half of those over 65 will be eligible. A proposal is already before the Senate to reduce the age limit to 60 years, adding perhaps 4,000,000 to the number of those who may be eligible. It is true that on the basis of the present number on the rolls the additional cost to the Federal Government of the proposed amendment would be \$80,000,000. However, if we assume that one-half of those over 65 years of age will sooner or later become eligible for benefits, the cost of this amendment alone will then approximate \$200,000,000 out of the Federal Treasury.

I know that some Senators favor paying the whole cost of old-age assistance out of the Federal Treasury. I have heard the remarks of my distinguished colleague from Idaho [Mr.

BORAH]. This amendment would be the first important step toward imposing on the Federal Government the total cost of old-age assistance, which, in my judgment, would be a great disaster to the country, because we should thereby remove the safeguard which now exists in the localities by reason of the localities being required to pay a part of the cost. For that reason they see to it that the system is not abused and does not result in a terrific increase in taxes, which may be unbearable. The essence of the Townsend pension plan is that old-age assistance is wholly a Federal obligation.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BORAH. Does the Senator think the fact that the State supplies a portion of the money is any considerable restraint upon the amount of money which is spent in these matters?

Mr. BYRD. I think it is a great restraint. I think that by reason of the fact that the States are required to contribute 50 percent, the eligible list is carefully scrutinized to see that only those in need of pensions are permitted to receive them.

Mr. BORAH. My experience is that all one has to do is to study the activities of the States with respect to these things to see to what extent they have restrained or failed to make expenditure by reason of the fact that they have something to do with it. In my opinion, one of the greatest sources of reckless expenditure of money is found in the cities and States of the country.

Mr. BYRD. The very reason for the amendment of the Senator from Texas [Mr. CONNALLY] is that the States have been too frugal and niggardly in making appropriations for old-age assistance.

Let us discuss for a moment the capacity of the States to pay for old-age assistance and the other burdens which may be placed upon them.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. BYRD. I yield.

Mr. McKELLAR. If the taxes are to be imposed on the people, does it make any material difference whether they are imposed by the State or by the Federal Government? The money must be raised. It can be raised only by taxation. Under the provisions of the amendment, a slight preponderance would be raised by the Federal Government. However, after all it will come out of the taxpayers; and it seems to me that if the amendment is otherwise worthy, the question of whether the State imposes the taxation or whether the Nation imposes the taxation is not very material.

Mr. BYRD. If the Senator is correct about that, we had better abolish all State and local taxes and have only one tax, a Federal tax.

Mr. President, let us see about the ability of the States to pay for this program. Let us take the great State of Texas, one of the greatest and richest States in the country. I shall refer also to my State of Virginia. Both Texas and Virginia are able to pay their full share of all old-age pensions if the people of those States desire to pay the taxes required to pay for such activities. I say that because I know the State of Virginia, and because I think I can prove from the statistics which I shall now give to the Senate that the State of Texas is amply able to pay every single dollar the taxpayers of that State desire to be paid for the purpose of old-age assistance.

Texas is now contributing \$7.04 to each person on the old-age rolls.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CONNALLY. I have already stated on the floor of the Senate that Texas is not paying enough. The legislature and the Governor were in a squabble, and the program was tied up for 6 months. Texas should pay more. I make no apologies. However, even now we are paying more than is Virginia.

Mr. BYRD. Mr. President, let us see if Texas cannot pay the \$2.50 a month of which the Senator's amendment provides that Texas shall be relieved. Texas would be relieved of the payment of something like \$4,000,000 a year in the event the amendment were adopted. Let us see if Texas cannot pay \$30 a year additional to its aged citizens who are in need, as the Senator from Texas said.

The wealth of Texas today is \$10,726,000,000. The wealth of the State of Virginia is \$4,220,000,000. Virginia can pay for the program on a 50-50 basis just as soon as a legislature is elected in Virginia which favors levying taxes to pay it. Virginia and Texas both can pay it better than can the Federal Government today, because both States have balanced budgets. Neither State is heavily in debt, while the Federal Government has an unbalanced Budget and is spending \$2 for every dollar it takes in, and we are rapidly increasing our Federal debt.

Let us see about the income of the State of Texas, the great State so ably represented by my distinguished friend [Mr. CONNALLY], one of the most eloquent and graceful speakers on the floor of the Senate. I would rather hear him speak than almost any other Member of the Senate, because even when he disagrees with me it is most enjoyable to hear him.

The State of Texas has an income of \$2,280,000,000 a year. Out of that sum Texas pays in local taxes \$129,000,000; in Federal taxes \$75,000,000; in State taxes \$89,000,000; or a total of \$293,000,000, leaving a clear income to the great State of Texas of approximately \$2,000,000,000. Yet that State now is unable to pay the old people living there the measly sum of \$30 a year additional.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CONNALLY. I remind the Senator from Virginia that in considering the income of the State of Texas it must be remembered that much of the property in our State is owned in New York, Chicago, Richmond, and other great commercial and business centers. The physical property is in Texas, but the title is up yonder somewhere.

Mr. BYRD. I will say to the Senator that the citizens of Texas own property in other States. I happen to know that they own property in Virginia. That situation exists in every State in the Union.

Mr. CONNALLY. Texas pays \$75,000,000 in Federal taxes. Why is it not fair and just for some of that amount to be allowed to trickle back to the old folks who need it?

Mr. BYRD. The Senator from Texas knows that in the past 6 years Texas has obtained from the Federal Government four or five dollars for every dollar she has paid in Federal taxes. There is no question whatever about that.

Mr. CONNALLY. We have already spent that. [Laughter.]

Mr. BYRD. The Senator from Texas is trying to obtain more from the Federal Treasury, notwithstanding the fact that his State is as well able to pay the additional \$30 a year to those on the old-age rolls as is any State in the Union. The State of Texas, after paying all taxes, Federal, local, and State, has a clear income of \$2,000,000,000.

The statement has been made on the floor of the Senate that the ability of the States to pay has controlled, rather than the willingness of the States to make reasonable payments. Let us see if that statement is correct.

Take the case of the State of California, a great State: It is paying more than any other State in the Union to individuals over 65 years of age. California is paying \$32.47 a month, the highest amount paid by any State. The State of New York, which is much more wealthy than the State of California, per capita and otherwise, is paying \$23.82. Why is that? Certainly New York is as well able to pay, per capita, as is California. If a higher amount is not being paid, there is some reason why the citizens of New York do not desire to increase their taxes so as to make that payment.

The per capita income of the average citizen in New York is \$827. The per capita income of the average citizen in California is \$782.

Take the case of Illinois, another great State: The per capita income in Illinois is \$596. Illinois pays \$19.10 to the old people of that State, and does not match the Federal con-

tribution, because as much as \$30 could be paid by the State and the Federal Government together.

Mr. President, nearly every single State in the Union is in a better position today to pay increased expenditures than is the Federal Government. There is a feeling, often expressed in this Chamber, that a grant from the Federal Treasury is a gift to the 48 States. No greater fallacy than that could be uttered. Every single dollar that comes into the Federal Treasury comes from the citizens of the 48 States. No money can come into the Federal Treasury except what is collected from the people of the 48 States. The bonds the Government of the United States is issuing daily are made possible because of the property the people of the 48 States have accumulated. The Federal Government is using the credit of the people of the 48 States to bond them, frequently without their consent.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BONE. May I ask the Senator where he secured his figures as to the wealth of each State?

Mr. BYRD. I obtained the figures from the Bureau of the Census, and they are official.

Mr. President, let us briefly survey the situation during the past 6 years. The records show that the debts of the 48 States have not increased appreciably since 1933, when the depression began. The records show that the debt of the Federal Government has increased from \$16,000,000,000 in 1929 to \$40,000,000,000 now, and in addition to that various corporations created by the Government have been permitted to obligate the Federal Government to the extent of \$8,000,000,000 more. So we have a direct and contingent obligation of \$48,000,000,000, as compared to \$16,000,000,000 when the depression began, a threefold increase in the space of about 8 years.

The records show, of course, as every Senator knows, that we spend \$2 out of the Federal Treasury today for every dollar received.

There are only two or three of all the States of the Union that today have unbalanced budgets. The Federal Government is confronted with a constantly increasing deficit. We are further away from a balanced Budget today—and I say so advisedly—than we have ever been since the depression began, and Senators on this floor, without thought, apparently, of the pay day that must come, continue to vote to increase expenditures without any idea where the money is coming from.

Here is a proposition that involves \$200,000,000. In addition it may involve the readjustment of all the cooperative efforts with the States in which the Government is engaged. If the States are unable to pay their part of the old-age pension, then the States are unable to pay their part of the Federal road fund; they are unable to pay their part of vocational education, of the control of venereal diseases, and of the 10 or 15 other cooperative activities that have been undertaken for years, and satisfactorily undertaken, on the basis of 50 percent on the part of the Federal Government and 50 percent on the part of the State governments.

The Senator from Texas says the Federal Government can collect taxes with greater justice to the taxpayers of the country than can the State governments. I take issue with him on that statement. Mr. Altmeyer gave us as one reason why he was opposed to this proposal, the fact, as he said, that 50 percent of the Federal revenue comes from "non-regressive taxes," as he called them, from invisible taxes on everything the people eat and everything they buy, taxes which fall heavily on the average citizen of this country without regard to his ability to pay. We are collecting less than 50 percent of the Federal revenue of our Government on the basis of ability to pay. So, I do not think that argument should be considered.

Mr. President, it was said yesterday that old-age assistance is a Federal obligation. I am unable to understand how anyone could make that assertion. The proposed act itself refers in the very beginning to "A State plan for old-age assistance." It says nothing about a Federal plan. It says, "A State plan for old-age assistance." The States prepare the lists of eligibles, which is one of the most important

parts of the whole plan. The States, and not the Federal Government, say who shall obtain old-age pensions. The States have their tests as to need, which are more strict in some States than in others. If the payment of old-age pensions is a Federal obligation, I should like someone to point to any law or any part of the Constitution that makes the payment of old-age assistance a Federal obligation. If it be a Federal obligation, then, the Federal Government should pay uniform pensions on a uniform basis in every State in the Nation.

The Senator from Texas yesterday said that the Federal Government by the passage of the law owed an obligation to give to every person over 65 years of age and in need a Federal pension, to see that he got a pension, either by direction or by some inducement to increase local taxes in the various communities.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ANDREWS. Mr. President, in relation to the question of obligation, that matter has been submitted to the Supreme Court. I read yesterday from the decision of the Court in the case of *Helvering against Davis*. With all the information that was obtainable through the United States Government and its departments and State departments, the Supreme Court said it is a national problem and that the Federal Government should pay old-age pensions. I do not know why they did that, except the fact that they certainly had all the information before them, and, having such information, that was the statement made by the Court. I think I made that clear in a brief statement yesterday.

Mr. BYRD. Any problem that exists in all the States, of course, is a national problem. What I said was it was not a national obligation; it was not an obligation solely upon the Federal Treasury.

The pending amendment, as the Senate should clearly understand, does nothing toward bringing about uniformity or equality of old-age assistance between the States. The same variations that now exist between the States—payments may be \$10 or \$15 in Virginia or Texas and \$32 in California—will still exist. There is nothing in this amendment that will bring about uniformity in the pensions now being paid.

Mr. President, of course, the question as to how far the Federal Government can go in spending money, and how far the State governments can go, is a very difficult one to determine. I do not agree with the Senator from Idaho [Mr. BORAH] in this respect; but I say from my experience as Governor of Virginia and my association with State governments, that taxes collected by local communities result in much more efficient expenditure than those collected by and disbursed from Washington. Some persons think that in some way the Federal Government can manufacture money without the collection of taxes from the people of the States. The impression has been created in this country, in the past few years, that a Federal expenditure need not be paid back; that it need not be paid in the form of taxes, and that a grant from the Federal Government is equivalent to a gift. In this country today \$20,000,000,000 are being spent by local, State, and National Governments for governmental purposes of one kind or another. That represents one-third of the total revenue of the country for last year—33⅓ percent of all the income of the country is being expended for governmental purposes.

I believe that the records will show, in proof of the assertion I now make, that this country has never enjoyed a prosperous period in its entire history when it collected in the form of taxes from the people more than 12 percent of the gross income of the country. The people can pay only a certain amount of taxes, and still permit private enterprise to continue. We speak of Federal taxes. I should like someone on the floor of the Senate, who advocates these huge expenditures, to point to some new tax revenue that he would favor.

I want to compliment, however, those who favor the Townsend plan, because, at least, they are honest in the respect that they advocate a system of taxation which, although

I think it would be destructive to the private enterprise system of this country, at least recognizes the fact that we must provide revenue for great expenditures. I should like to ask other Senators what single tax would they increase? We cannot increase the taxes in the high-income brackets. They have already reached the point of diminishing returns. Are we to resort to a sales tax and tax everyone who buys the necessities of existence? Are we to levy a transactions tax, such as the advocates of the Townsend plan favor?

My able colleague, the Senator from California, made a splendid presentation of that plan the other day before the Senate Finance Committee. He advocated, as I understand, a 2-percent transactions tax under which every time an article was sold a 2-percent tax would have to be paid to the Federal Government. Thus an article that changed hands, say, five or six times may pay 10- or 15-percent taxation. That would place a burden upon the backs of the business of the country which, I think, would be destructive of our private-enterprise system and greatly increase the cost of living.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. VANDENBERG. At that point, and in connection with the Senator's calculation, I should like to observe that under the Social Security Act as it is now written, the total payroll tax becomes 9 percent in 1949. That 9 percent is already very close to the transactions tax accumulative total to which the Senator refers.

Now, let us be wholly frank about this matter. I spoke along these same lines yesterday. In 1948 the present Social Security Act, without any expanded benefits, will impose a 9-percent payroll tax on practically the whole total of American industry, including 40,000,000 workers. This of itself is enormously burdensome. It remains to be seen whether our industry can survive beneath these added exactions. But at least it may be said that the existing scheme of benefits is financed by the existing provisions for payroll taxes ultimately reaching 9 percent. Now, however, we are blandly voting additional benefits beyond the present contemplation of the Social Security Act, beyond the provisions for taxes with which to foot the bills, and without any responsible effort to provide the ways and means with which to justify the new benefits which we are promising to pay. It is the sheerest folly. We have already added some \$650,000,000 of benefits of this nebulous character. Now, we are asked to add what may be another \$100,000,000 in another section of the bill. It either is the holding out of a false hope to unfortunates or it is the promise of heavily increased taxes on our people. How much more than 9-percent payroll taxes do Senators think American industry can bear? If each succeeding Congress between now and 1948 performs with similar unfinanced liberality, we shall finally confront 15 or 20 percent in payroll taxes. Many of us feel that the pyramiding 2-percent transactions tax in the so-called Townsend plan will ultimately represent a tax as high as 10 or 12 percent. Many of us feel that any such tax is an impossible burden which would make healthy prosperity impossible. But if this habit of expanding the latitudes of the Social Security Act, without correspondingly expanding the tax revenues, is to continue until we suddenly confront the judgment day of doom, it would be infinitely better to borrow the Townsend-tax formula and have it frankly over with. Better frankly and courageously to tax to pay as you go, as Dr. Townsend advocates, than to spend and spend and spend without taxing and thus accumulate ultimate crisis and collapse. The best friend of social security is the friend who keeps it solvent.

Mr. BYRD. I thank the Senator.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DOWNEY. I should like to point out to the Senator from Virginia the fact that under the transactions tax, assuming it would amount, as I will later attempt to show, to about 7 percent in increased living expense, if a man had a thousand-dollar-a-year income he would pay only \$70 a year;

the man who had \$10,000 a year would pay \$700; and the man who had \$100,000 a year for living expenses would pay \$7,000. Consequently, the transactions tax is based upon a man's standard of living, and, therefore, his ability to pay, while this iniquitous law ultimately is designed, as the honorable Senator from Michigan has very properly said, to impress a 9-percent tax upon the pay rolls of the Nation. To me that is an absolutely indefensible and improper tax compared to the transactions tax.

I should like further to interpolate that when I am permitted an opportunity to present the theory of the transactions tax, I shall be delighted and happy if the Senator from Virginia will listen and enter into a colloquy with me about the justice of the tax.

Mr. BYRD. I listened to the Senator with great interest when he was before the Senate Finance Committee, and, while he and I do not agree about the matter, I want to congratulate him on his frankness, because before the Congress of the United States in advocating a huge increase in expenditures he has the courage to say, "We propose to raise the money in such-and-such a way." That is what other advocates of spending have not had the courage to do, and as a consequence we are continuing to spend \$2 for every dollar we take in.

Mr. President, if the Treasury of the Federal Government were overflowing, if we had huge surpluses here at Washington, if the States were bankrupt—which they are not—there might be some argument for continuing to pass the burden on to the Federal Government. Exactly the reverse, however, is true. We shall reach our Federal debt limit on July 1, 1940. According to the statement made by the Secretary of the Treasury before the Senate Finance Committee, no more bonds may be issued by the Federal Government after July 1, 1940, unless the Congress of the United States raises the debt limit.

As a consequence, the administration today has adopted an evasive and devious method of trying to overcome the barrier which was erected by Congress in fixing the debt limit, because we shall soon have before us the new lending and spending bill, which has the object of creating a corporation for the purpose of obligating the Treasury of the United States, but obligating it in such a way as to evade the limitation which has been placed by Congress upon our debt.

I desire to make the point clear in regard to the Connally amendment that there is no assurance whatever that the additional \$2.50 per month, or \$30 per year, will be passed on to the pensioners. There is no assurance whatever that a single additional dollar will go to the pensioners, except that, as the Senator says, the adoption of the amendment might stimulate the States to do their duty more fully in regard to this matter. The amendment simply says that up to \$15, two-thirds of the amount will be paid by the Federal Government. The State of Texas may pay the same amount it is now paying, \$14 per month, and not increase by one dollar the amount paid to the old-age pensioners there, and put this four or five million dollars into the treasury of Texas, if it chooses to do so. There is not a line in the amendment which compels this money to go to those who need it. It may go to the States. California need not increase its \$32 per month.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Did the Finance Committee consider any amendment to this proposal which would provide a limitation upon the use of the two-thirds fund?

Mr. BYRD. The proposal was made by the Senator from Texas [Mr. CONNALLY] and defeated. There was no discussion of any modification of it.

Mr. O'MAHONEY. No; the Senator misunderstands me. I have not made my question clear. He has just made the statement that if this amendment should be adopted the additional contribution which the Federal Government would thereby make to the States might not be passed on to the needy individuals. That is my understanding of the Senator's statement.

Mr. BYRD. That is correct.

Mr. O'MAHONEY. Therefore there is nothing in the amendment, as I understand, to compel the States receiving these increased payments to pass them on to the individuals for whom they are said to be intended.

Mr. BYRD. That is correct.

Mr. O'MAHONEY. The question, therefore, is, Did the Finance Committee consider any modification of this amendment which would place a restraint upon the States, and make it certain that the funds would be used for the intended beneficiaries?

Mr. BYRD. There was no consideration of that matter in the Finance Committee.

Mr. KING. Mr. President, let me say that no such amendment was made because the committee, in its very protracted consideration of this amendment and in its elaborate discussion of it, believed it was so unfair that it would destroy the system which prevails; that it would tend to the consolidation of the States with the Federal Government, and therefore, in the ultimate, would more or less tend to destroy our form of government.

Mr. CONNALLY. Mr. President—

Mr. BYRD. I yield to the Senator from Texas.

Mr. CONNALLY. Let me suggest to the Senator from Wyoming and the Senator from Virginia that no amendment of that kind was necessary, because this fund is to be administered just as it has been in the past under the law, and it cannot be used for any other purpose than the payment of old-age taxes.

Mr. O'MAHONEY. Yes; but, as I understand the statement of the Senator from Virginia, and as I understood the explanation of the Senator from Texas, there is nothing in the amendment which would prevent a State from actually reducing its contribution to the payments made to individuals.

Mr. CONNALLY. If it did, it would get less Federal money, of course, because under the present law if a State does not want to put up over \$5 or \$3 per month it does not have to do so.

Mr. O'MAHONEY. Yesterday there was placed in the Record a list of the payments being made in the several States, ranging from something over \$30 in the case of California at the top to slightly over \$6 in the case of Arkansas at the bottom of the list. I conceive it to be agreed that if the Senator's amendment should be adopted it would be possible, for example, for the State of Arkansas to reduce the \$3 plus which it now pays and accept \$6 from the Federal Treasury, so that the payment to the individual would still be only \$6 plus.

Mr. CONNALLY. The payment to the individual would be \$9.

Mr. O'MAHONEY. Would the Senator from Texas be willing to accept a modification of his amendment which would provide, in effect, as follows:

Provided, That all payments to each State which reduces the payments now being made to needy individuals shall be under clause (b).

Mr. CONNALLY. The Senator may prepare his amendment, and we will look it over. The pending amendment proposes no change at all from the present law as to how the fund shall be employed. It can be used only for the payment of old-age pensions. Why it is necessary in the case of this particular amendment to have that kind of a provision, when it was not necessary to have it in the original law, I cannot see; but I shall be glad to consider the Senator's amendment.

Mr. O'MAHONEY. I thank the Senator from Virginia for permitting me to interrupt him.

Mr. BYRD. Mr. President, the situation is very clear. Take, for instance, the case of the State of Texas: The State of Texas now pays \$14.09, half of which is paid by the Federal Government and half by the State government. Under this amendment Texas need not increase by a single penny the \$14.09, but the Federal Government would pay \$9.38 and Texas would pay \$4.69, thereby saving to the State of Texas between four and five million dollars a year. There is nothing whatever in this amendment which requires that the additional amount which the Federal Government is to

contribute shall be paid to those who receive old-age assistance.

Mr. CONNALLY. Mr. President, let me ask the Senator who will get it, then?

Mr. BYRD. The State will get it under this situation.

Mr. CONNALLY. The State cannot take a nickel of it—not a copper cent of it.

Mr. BYRD. But the State can reduce its contribution, because the State only has to pay one-third under the Senator's amendment, and it now pays one-half; and that condition will apply to every State in the Union. Is the Federal Government going to enact legislation which will permit the States not to increase the compensation to old-age persons, but to help the treasuries of the States? That is exactly what this proposal does, Mr. President.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. BYRD. Yes.

Mr. CONNALLY. So far as the Senator from Texas is concerned, I do not object to a provision being added to the amendment that any State which reduces its present average payments to pensioners—of course, it might cut off some individuals who ought to be cut off—shall not receive this additional grant. I am willing to do that if it will be any satisfaction to the Senator from Virginia. I do not think he would vote for the amendment, however, if I should modify it in that respect.

Mr. BYRD. No, Mr. President; I am not going to vote for the amendment, but I thought I should state to the Senate what I regard as a great objection to those who think the amendment as now proposed will increase the amount that the old-age pensioners will receive, because it may increase the amount and it may not. It depends upon the action of the individual State. What the amendment does is that as to the first \$15, instead of the State paying \$7.50 and the Federal Government paying \$7.50, the Federal Government pays \$10 and the State pays \$5.

Mr. CONNALLY. Mr. President, I should like to have the attention of the Senator from Mississippi [Mr. HARRISON]. I ask unanimous consent that the Senate vote on this amendment not later than 2 o'clock p. m.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Is there objection?

Mr. AUSTIN. Mr. President, before the question is put I desire to suggest the absence of a quorum.

Mr. CONNALLY. I shall not insist on the request if the Senator is going to object. I withdraw it.

Mr. AUSTIN. I simply give notice that I shall ask for a quorum whenever the Senator is ready to make his request.

Mr. CONNALLY. I shall not press it at the moment.

Mr. BILBO. Mr. President, I had purposed to address the Senate at this time in partial support of the amendment now pending, and at the same time to present an amendment of my own; but since the Senator from Texas desires to be absent at 2 o'clock I will withhold my remarks on the amendment and speak to my own amendment after a vote shall have been taken on the Connally amendment.

Mr. HARRISON. Mr. President, before the vote is taken I wish to say that I am not in agreement with my own committee in the action they took in rejecting the amendment. As I stated in my remarks yesterday, I voted in the committee for the Connally amendment, and I voted in the committee for the Byrnes amendment, which had been recommended by a Senate committee after studying the whole unemployment and relief question. I was very much in favor of one or the other being adopted, but they were rejected by the Finance Committee. I reserved the right at that time, as a member of the Committee on Finance, to vote for them when the amendments were offered on the floor of the Senate.

I am in favor of these amendments because I believe that every State, in cooperation with the Federal Government, should give on the average at least a \$15 pension per month to the needy old people. I am not one of the so-called radicals with reference to pension legislation. I believed, when

we passed the social-security legislation in 1935, that the States would be able to take advantage of the 50-50 basis for old-age assistance that was there presented to the point of matching the contributions of the Federal Government up to \$15. We have learned from experience that many of the States have not met the Federal contribution. I will not discuss the question whether they could do it or not, but I feel sure that the Federal Government could contribute \$2 to \$1 up to \$15 without straining the Treasury much more than we have already strained it in making other appropriations, many of which I have not favored.

Even though I have been styled one of the economy bloc, I realize that here is something in which I sincerely believe, even though I appreciate that it calls for an additional appropriation of \$80,000,000 annually. I am going to resolve the doubt in favor of giving a minimum average to the needy old people of the country of \$15 a month. So I shall vote for the amendment. It may help States which are better off than some of the so-called poorer States, and if it does that is all right; I hope it will help all of the States. But the Federal Government can very well afford to pay two-thirds, up to the amount of \$15, under the circumstances.

I see no reason why we should not change the 50-50 basis with respect to old-age assistance. We adopted it in the beginning and we have found that the States cannot meet the 50-50 requirement. So if experience teaches us it has not worked as we had hoped, I do not understand why we cannot change it. All the laws which have been passed by the Federal Government providing Federal assistance have not been founded on a 50-50 basis. The appropriations which are carried for the Public Health Service, indeed, in this very bill, are allocated to the States according to need, in some instances. So we would not be changing any universal policy and rule by the adoption of the amendment. I hope it will be agreed to.

Mr. BORAH. Mr. President, I do not desire to discuss the pending question at length, but I do wish to express my views very briefly and in a sense as to general principles. When this question of old-age pensions was first before the Senate I offered an amendment to increase the amount but it was defeated. No one respects more than do I the able fight which the Senator from Virginia [Mr. BYRD] makes for economy. One could get very greatly interested in the subject of economy if there were any consistent program which looked to economy. But all Senators are for economy on some subjects and no Senator is for economy on other subjects. After expending the amount of money which we have appropriated at this session for some things, which, to my mind, if not unnecessary were not pressing, I cannot bring myself to believe that we should ask the old people of this country to live on \$15 or \$20 or \$30 a month.

We started some time ago to make amends for what we had failed to do theretofore, that is, to take care of the old people. I have not been an advocate of the Townsend plan; I have not been an advocate of the transaction-tax system proposed to take care of it. I have not favored \$200 a month. But I have long been an advocate of the appropriation of a sufficient amount of money to enable old people to live with some degree of decency. We have not provided a reasonable amount as it is our duty to do.

These old people have done their part in developing this country. They have done their part in making this a great Nation. In my section of the country they are those who were the pioneers, they are the people who went into the desert and made it habitable and suffered all kinds of hardships. They built great commonwealths. Their work is over. They have not the energy, they have not the ability, and they have not the opportunity to carry on. They have practically closed their careers. They have nothing to look forward to, to my mind, as a matter of economy, to say nothing of the question of humanity, as somebody in some way must take care of them; we can best do this by a reasonable allowance by the Federal Government. We can afford to take care of them upon a basis which will enable them to live properly, at least from the standpoint of

actual need, and my study leads me to believe that it can most efficiently be done by the Federal Government—there are two governments but only one taxpayer.

For these reasons I shall vote for the amendment, and I shall vote for any other amendment which will bring the amount of contribution up to what seems to me a proper amount to afford a reasonable standard of living for these old people. I do not feel the amount here provided is sufficient.

In doing so I do not feel it is an act of charity. I feel that it is actually taking care on an economical basis of those who must be cared for in some way. I would far rather give to these old people in excess of the \$15 or \$20 or \$25 a month than to be preparing to spend uncounted millions on such things as the sand dunes of Guam or loan millions and millions abroad.

The best preparation we can make for all the future, against all the isms which can come—fascism and communism and all other isms—and the best defense we can make of this country is to let it be known that our people, our citizens, are our care, and that we propose to care for them in the most reasonable and best way possible.

Mr. President, I have advocated for a long time, have advocated in my State, and have advocated elsewhere a payment of \$60 a month. I realize that that is beyond what my associates generally think is necessary or proper or possible at this time, but if they will go into the homes of those old people and undertake to estimate how they can live upon less, really live upon less, consider purchase at present prices the things necessary in order to maintain life, they will find that sum is not too much.

I am not one of those who believe, as the Senator from Virginia has said, that because the money comes from the National Government, it is supposed to be a gift from above, that, like manna, it has fallen from heaven. I know it comes from the same taxpayers who pay taxes in the States. But I know also that the American citizen is a citizen of the United States, by the Constitution we especially made him a citizen of the United States, and I know that when war and trouble come, he is called upon, not by the States, but he is called upon as a citizen to protect the United States. It seems to me from every viewpoint that we must prepare to care for these old people, and let it be known that they are to be cared for. I shall vote for the amendment for the reasons I have given.

Another thing, Mr. President. The Senator from Virginia found fault with my view that the Federal Government would have to take care of this problem finally, and I so much respect his views that I hesitate to disagree with him. But suppose a State is in such a condition, as some of them are, that it cannot pay more than it is paying, a pitiable sum. Shall we say that because a State happens to be in that condition, and the State is so situated that it can do no more, the localities shall punish the old people because of the place in which they have located?

In my opinion, a citizen of any State not prepared to take care of him is a citizen of the United States and should have the consideration of the National Government. If the local situation is such as to make it impossible for him to be taken care of, there is a duty devolving on the Federal Government. I do not care where he lives. If he cannot be taken care of, there is still an obligation on the National Government to see that he is taken care of.

The PRESIDING OFFICER (Mr. Lucas in the chair). The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Davis	Guffey
Andrews	Burke	Downey	Gurney
Austin	Byrd	Ellender	Hale
Barbour	Capper	Frazier	Harrison
Barkley	Chavez	George	Hatch
Bilbo	Clark, Idaho	Gerry	Hayden
Bone	Clark, Mo.	Gibson	Herring
Borah	Connally	Glass	Hill
Bridges	Danaher	Green	Holman

Holt	Mead	Reynolds	Tobey
Hughes	Miller	Russell	Townsend
Johnson, Calif.	Minton	Schwartz	Truman
Johnson, Colo.	Murray	Schwellenbach	Vandenberg
King	Neely	Sheppard	Van Nuys
La Follette	Norris	Shipstead	Wagner
Lee	Nye	Slattery	Walsh
Lodge	O'Mahoney	Smith	White
Lucas	Overton	Stewart	Wiley
McKellar	Pittman	Taft	
McNary	Radcliffe	Thomas, Okla.	
Maloney	Reed	Thomas, Utah	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

Mr. GEORGE. Mr. President, I intend to delay the vote for only a very few minutes. I wish to call attention to the fact that in the Social Security Act itself we have recognized the obligation of the Federal Government without requiring the States to match on a 50-50 basis or any other fixed basis. There is a provision in the Social Security Act for the care of crippled children, and a fund is appropriated for that purpose. That fund is allotted between the States on the basis of certain enumerated factors. One of them is the financial needs of each State.

Mr. President, that fund has been in the Social Security Act from the beginning, so in social-security legislation at least we have not followed a rigid 50-50 allocation of the Federal appropriation. That fund has been increased by an amendment to the pending bill providing for an additional \$1,000,000 per year for the care of crippled children, and both that increase and the amount authorized in the original act will be allocated to the States, among other things, on the basis of the financial needs of the States.

Mr. President, the Social Security Act also includes an appropriation for public-health work, an appropriation which has done a great deal of good in all the States, but which has been of inestimable value and benefit to the rural States. The appropriation of \$8,000,000 carried in the original law for public-health work is not allocated to the States on a 50-50 basis. It is allocated on the basis of need in each State. The public-health funds are allocated by the Surgeon General. The appropriation for the care of crippled children is allocated by the Secretary of Labor. Both of these funds, not only the one for the care of crippled children but the fund for Public Health Service, have been increased in the bill now before the Senate, and the theory of 50-50 contribution does not exist with respect to the allocation to the States in either instance.

Mr. President, I wish to make this general statement: I have no difficulty in agreeing with the general observations made by the distinguished junior Senator from Virginia, nor in agreeing with the viewpoint of other Members of the Senate who believe that we should not depart from the general principle of a 50-50 contribution by the States provided for in most of the appropriations which have been made for necessary cooperative work within the States. I have no difficulty in agreeing generally with their point of view. But, Mr. President, I have difficulty in agreeing with the facts as they exist under social security. Let us take the case of any State; take that of my own State, for I do not want to make any invidious comparisons. In my State only about 50 percent of the worthy old people who are entitled to old-age assistance are on the rolls. What the Senator from Virginia [Mr. Byrd] says would be a good answer to the State of Georgia if the State of Georgia wanted a larger share paid by the Federal Government. However, what answer is it to 50 percent of the old people of my State, who are not on the rolls at all, and who do not receive a dime from the State or from the Federal Government, while in some other State, either because of the ability of the State or the disposition of the officials of the State, the old people are on the rolls and are receiving benefits? I cannot answer 40,000 men and women in Georgia who are not receiving a dime from the Federal Government by saying to them, "Go to the State government and have the State government raise enough taxes to put you on the rolls, and to match, dollar for dollar, what the Federal Government pays to the old people within this State or in other States."

That is no answer to them. They are American citizens. They have lived under all the burdens the Government has placed upon them. They have paid all the taxes that have been paid through a long lifetime. Some of them had property. Until 1929, some of them were in good circumstances. Some of them have been taxpayers through a long lifetime. All their property is swept away. They have no children or other dependents who can or will support them. The State government does not levy the tax. Whether it is unable to levy it or whether it is not disposed to levy it does not answer the question, does not answer the demand for these old people to be treated as are other old people who are on the rolls within my State and in neighboring States.

It is no answer so far as the Federal Government is concerned, because, if the Federal Government is willing to pay any part of \$15 to an old man or an old woman 65 years of age who has seen better days, it is no answer to say to the old people, "Your State has not done its duty." Perhaps that is an answer to the State. Perhaps the States are not dealing with the question as they should. Perhaps they have not imposed the taxes they ought to impose. However, there is simply no answer that I as a representative of the people of my State in this body, can make to forty-odd thousand who are not on the rolls and who are not receiving a dime from the Federal Government, while some forty-odd thousand in the State are receiving checks monthly from the Federal Government.

Mr. President, I think this amendment would enable the States perhaps not to do equal justice to all the aged people but to do something that approaches it, to put people on the rolls who ought to go on the rolls, and to give to the aged people within the State who are already on the rolls something in the neighborhood of adequate provision for their actual necessities.

What are the facts with respect to those who are on the rolls? We must meet the facts as they are. The facts are that in a State which contributes, with the assistance of the Federal Government, some \$6 per month to an old person, such contribution is inadequate to meet human needs. The State which contributes the sum of \$8 per month, on the average, to an old person who has no means whatever is not meeting all the actual needs of that person.

Mr. President, the Federal Government thought it wise to enter this field, and to say to the States, "We will set up a fund from which you may draw if you see fit to set up benefits for the aged people within your State." Under those circumstances it seems to me the Federal Government owes something. Perhaps it is unwise to depart from the 50-50 basis of contribution; but we have done it in the case of social security. We have a condition which no kind of logic can answer, because it is a condition of naked human want and misery. The facts stand out. No logic can answer them. No logic can satisfy the aged person in my State or any other State who is receiving less from the State and the Federal Government than is necessary to meet his physical needs or who is receiving nothing simply and solely because the State itself does not act. The argument advanced is no answer to that man or woman, and it is no answer to my conscience, Mr. President. I dare say it is no answer to the conscience of any other Senator.

Mr. President, when I contemplate some of the things that we are doing I wonder why we hesitate to say that up to an average of \$15, to which the State must contribute, the Federal Government will pay to the worthy aged people within that State \$2 to the State's \$1. At this very moment the Secretary of Agriculture is convening in this city the representatives of the cotton trade to devise the best program to give away \$35,000,000 of the money of the taxpayers of the country to foreign spinners, to the aged and the young alike who live in foreign countries, in order to induce the shipment of our cotton out of the United States.

So, Mr. President, I shall vote for the amendment. It is not based upon aiding the poor States by discriminating against the better-off States, because under the provisions of the amendment every State would receive \$2 for \$1 until

it had paid to the worthy old people within the State an average of \$15 per month. If there is any justification for social-security legislation, if there is any justification for the Federal Government in the first instance inviting the States to take care of their old people, it seems to me we are justified in saying that up to the level at which ordinary physical demands can be only inadequately met the Federal Government shall pay \$2 while the State pays only \$1, and above that amount the States and the Federal Government shall pay on a 50-50 basis.

It is too late to raise the issue that we must never depart from a 50-50 basis. We have done so in the Social Security Act, and I think wisely so. We have done so in the case of public health. That action was based in part upon the financial need of the State. We said to the Surgeon General, "Apportion this appropriation among the States." We have done it in the case of crippled children. We have said to the Secretary of Labor, "Apportion this appropriation among the States on the basis of need." Of course, the financial condition of the State was again involved. The two appropriations to which I have referred are substantially increased in the bill now before the Senate.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. DOWNEY. The Senator from Georgia has stated that he believes the Federal Government should contribute \$2 for every dollar from the State up to a sum which is required to satisfy the necessities of the old people. I should like to inquire of the Senator what sum he believes he would fix to satisfy the necessities of a senior citizen under this bill.

Mr. GEORGE. Speaking now to the amendment offered, my position is that the Federal Government should be willing to do at least what the amendment provides; that is, to contribute \$2 to \$1 up to the meager average of \$15 a month.

Mr. DOWNEY. May I inquire further of the Senator if he does not think a sum substantially higher than \$15 a month is required to keep body and soul together in decency and vigor?

Mr. GEORGE. I should hesitate to say that the statement made by the Senator from California is not true.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WAGNER. The point was made that we ought to adhere to a certain definite policy. As I understand, the Social Security Board, which has had experience in administration over a period of 4 years, has itself recommended that there should be some variation between the States which can less afford to help the aged and the States which can better afford to do so, as measured by relative per-capita income. The amendment which had been prepared by the Senator from South Carolina [Mr. BYRNES], accomplished that objective. I favored that amendment, and would prefer it to that now offered by the Senator from Texas. Since this amendment, however, seeks the same objective, I propose to support it, with perhaps some safeguard that the additional Federal funds will be devoted to lifting up the States' present average pensions.

Mr. BYRD. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. BYRD. I should like to say to the Senator from New York that Mr. Altmeyer, in his testimony, stated that he thought the Connally amendment was a very dangerous proposal.

Mr. WAGNER. Did not Mr. Altmeyer say that the proposal submitted by the Senator from South Carolina was an improvement?

Mr. BYRD. That is true, but the proposal of the Senator from Texas he thought was a very dangerous proposal.

Mr. WAGNER. I am using my own judgment in supporting the amendment offered of the Senator from Texas, and I am going to vote for it because I want to give aid where aid is needed.

Mr. BYRD. The Senator may not have been informed that Mr. Altmeyer was opposed to the amendment of the Senator from Texas and thought it was very dangerous.

Mr. WAGNER. But he did favor the variable grant principle recognized by the Byrnes amendment.

Mr. BYRD. The Byrnes amendment, as the Senator knows, is very different from the pending amendment.

Mr. WAGNER. Yes; but it recognized the variable rule.

Mr. BYRD. This amendment does not recognize it.

Mr. WAGNER. Not to the same extent. I would very much have preferred the other amendment.

Mr. BYRD. The pending amendment does not do that at all, because it is uniform throughout the country.

Mr. GEORGE. Mr. President, since the distinguished Senator from New York has raised the question, may I say that Dr. Altmeyer, of the Social Security Board, did favor the Byrnes amendment. The Byrnes amendment sought to do precisely what the pending amendment seeks to do in another way, so far as minimum assistance is concerned.

I may also say to the Senator from New York and the Senator from Virginia that Dr. Altmeyer objected to the amendment now before the Senate, not because it would vary the contributions from the 50-50 basis but because he thought—and undoubtedly with some reason—or at least he feared that, if the Federal Government matched \$2 to \$1 up to \$15, some States might be content not to go above the \$15. That is the reason why he opposed the amendment.

Mr. WAGNER. I may say to the Senator that there is some apprehension that if the Connally amendment were adopted, some States might take advantage of the situation. I believe that the States are sufficiently interested in helping unfortunate aged people that they will not take advantage of the amendment to reduce their own contributions.

Mr. O'MAHONEY. Mr. President, will the Senator from Georgia yield at that point?

Mr. GEORGE. I yield the floor.

Mr. O'MAHONEY. Mr. President, earlier in the afternoon I interrupted the Senator from Virginia [Mr. Byrd] upon the phase of the matter which the Senator from New York has just mentioned and suggested that the pending amendment might be so modified as to prevent any danger of the contingency that any State might take advantage of the increased contribution under clause (a) to reduce its contribution to old-age assistance. The Senator from Texas was good enough to suggest to me that if I should attempt to prepare definite language to carry out the corrective plan, he would accept a satisfactory formula. I have now done that, Mr. President, and I should like to offer the modifying amendment at this time.

Mr. WAGNER. I take it that the Senator is providing for a minimum?

Mr. O'MAHONEY. I shall read the proposed amendment to the amendment.

Provided, however, That in the case of any State which shall reduce the amount paid in such State in 1939 to such needy individuals for old-age assistance, the amount to be paid by the Secretary of the Treasury to such State shall be—

And then follows the language of the House bill, so that it would have the effect of declaring that if any State should seek to take advantage of the increased contribution by the Federal Government to decrease its own contribution, the 50-50 rather than the two-thirds plan would apply. I send the amendment to the desk.

Mr. WAGNER. The other way I had in mind to improve the Connally amendment would be to provide that the one-third and two-thirds rule should not apply unless a minimum average of \$15 was paid to the aged individuals in any State.

Mr. CONNALLY. Mr. President, so far as I am concerned, I am willing to accept the amendment of the Senator from Wyoming, though I do not think it is necessary. It merely provides that if any State should reduce the amount paid during this fiscal year, it would still have to pay on a 50-50 basis instead of obtaining the advantage of the two-thirds Federal contribution. I have no objection to the amendment.

Mr. O'MAHONEY. Let me add that the table which was put into the RECORD yesterday while the Senator from South Carolina [Mr. BYRNES] was addressing the Senate, reveals a rather startling condition with respect to the payment of old-age assistance. Twenty-eight of the States make an average total payment from both Federal and State sources combined of less than \$20; 42 States make a total payment of less than \$25; and in the State of California alone do needy aged persons who are obviously without resources of their own receive as much as \$30.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. LODGE. The Senator refers to average payments, does he not?

Mr. O'MAHONEY. Yes; these are average payments, of course.

Mr. LODGE. In my State, I happen to know, there are 17,000 people who in May received more than \$30; yet the average, of course, is less than that.

Mr. O'MAHONEY. I was speaking of the average. The average for the State of Massachusetts is \$28.56.

Mr. LODGE. And in the State of Louisiana, for instance, which is very far down on the list, there are people who receive more than \$30.

Mr. O'MAHONEY. The average in Louisiana is \$10.26.

Mr. LODGE. But there are individuals there who receive more than \$30.

Mr. BARKLEY. Mr. President, I wish to say only a brief word about this amendment. I voted in the committee for the Byrnes amendment, and, as a matter of fact, as a member of the Committee on Unemployment, I participated in preparing that amendment, which was a departure from the original 50-50 requirement of the law as it now exists.

In considering the matter from the standpoint of the Federal Government and the States, I am convinced that we cannot lose sight of the condition of individual aged persons in the country irrespective of any meticulous regard for some proportion between the States and the Federal Government.

When I voted for the social-security law—and I imagine many other Senators had the same notion—I thought we were providing \$30 a month old-age pension on a 50-50 basis, \$15 by the Federal Government and \$15 by the State. That is what I believed in. I have all over my State advocated a \$15 contribution by the State to match the \$15 contribution by the Federal Government, and I have criticized my own State government for not providing \$15 to match the \$15 contributed by the Federal Government.

When the bill was introduced calling for compliance by the State with the social-security law, it provided \$15 a month to be matched by the States. That was reduced to \$7.50. So the maximum under the present law that is possible in my State is \$15. But, as a matter of fact, the average is eight dollars and fifty-some cents.

I believe that my State can do better than to pay an average of \$8.50 to older people. I have advocated, and I am now advocating that the State of Kentucky amend its law so as to provide \$15 to match the \$15 contributed by the Federal Government. But I am confronted with the problem of how long I am willing to wait, and thereby add to the suffering and indigency of old people, while some State administration is willing to carry out what we thought was the original intention of Congress by putting up \$15 to match the like Federal contribution. The Byrnes amendment, which was voted down in the committee but for which I voted and which I helped to frame as a member of the Committee on Unemployment, recognized that there are some States that may not be able to do that.

I would not draw any invidious comparisons here by attempting to name the States that cannot put up sufficient money to average at least \$15 or even \$30 per month. I am frank to say that I think my own State can do it, but there may be some others that cannot do it; but my State has not done it. Therefore it seems to me that if we are to depart from the rigid 50-50 rule, the amendment offered by the Senator from Texas is preferable even to the amendment offered

by the Senator from South Carolina [Mr. BYRNES] in this respect, at least, that it does not embarrass the administration of the law by requiring the authorities to decide which States can and which States cannot put up more money than they are now contributing in order that they may make a higher average payment for old-age pensions.

Because I believe it is better to make the variation apply to all States than to pick out a few of them and make it applicable to them on the basis of need, and because I do not believe we can wait indefinitely for the States which either cannot or are unwilling to do their duty in regard to the old-age pension situation, I am going to vote for the amendment offered by the Senator from Texas, making this 2-to-1 proposition apply in all the States up to an average of \$15 per month.

I realize that the question arises, How soon shall we reach a period when the Federal Government will undertake the entire obligation and leave the States entirely free? It may be that we are headed toward that situation. I do not know whether we are or not. If we are headed toward it, we cannot stop it any more than one can take a broom and sweep back the waves rolling in from the ocean. We shall reach that point some day if we are going to head in that direction, and it may be necessary to do it. It may be that from the standpoint of justice, the obligation of the Federal Government is paramount to the obligation of the States. But whether or not that be true, for the time being it seems to me we can afford to make this departure up to an average of \$15 per month; and I reiterate my hope that the time is not far distant when the average pension received by the old people of the country will be at least \$30, for it is difficult to understand how anybody entitled to it at all can live on any decent standard for less than \$30 per month.

For these reasons I expect to vote for the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY], as modified.

Mr. LODGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	King	Reynolds
Andrews	Frazier	La Follette	Russell
Austin	George	Lee	Schwartz
Barbour	Gerry	Lodge	Schwellenbach
Barkley	Gibson	Lucas	Sheppard
Bilbo	Glass	McKellar	Shipstead
Bone	Green	McNary	Slattery
Borah	Guffey	Maloney	Stewart
Bridges	Gurney	Mead	Taft
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Capper	Hayden	Neely	Townsend
Chavez	Herring	Norris	Truman
Clark, Idaho	Hill	Nye	Vandenberg
Clark, Mo.	Holman	O'Mahoney	Van Nuys
Connally	Holt	Overton	Wagner
Danaher	Hughes	Pittman	Walsh
Davis	Johnson, Calif.	Radcliffe	White
Downey	Johnson, Colo.	Reed	Wiley

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY], as modified.

Mr. HARRISON and Mr. LODGE called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HALE (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. BYRNES]. Being unable to transfer my pair, I cannot vote. If at liberty to vote, I should vote "nay" and the Senator from South Carolina would vote "yea."

The roll call was concluded.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote if present, I withdraw my vote.

Mr. HILL. My colleague [Mr. BANKHEAD] and the Senator from North Carolina [Mr. BAILEY] are absent on important business. They have a pair on this question. I am advised that if my colleague were present he would vote "yea" and if the Senator from North Carolina were present he would vote "nay."

Mr. ANDREWS. My colleague [Mr. PEPPER] is out of the city. If he were present he would vote "yea." He is paired with the Senator from Maryland [Mr. TYDINGS], who, I understand, if present, would vote "nay."

Mr. HAYDEN. My colleague [Mr. ASHURST] is detained from the Senate because of illness in his family.

Mr. MINTON. I announce that the Senator from New Jersey [Mr. SMATHERS] is detained from the Senate because of illness in his family.

The Senator from Michigan [Mr. BROWN], the Senator from South Carolina [Mr. BYRNES], the Senator from Arkansas [Mr. CARAWAY], the Senator from Ohio [Mr. DONAHEY], the Senator from Kentucky [Mr. LOGAN], the Senator from Nevada [Mr. McCARRAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. LUNDEEN], and the Senator from South Carolina [Mr. SMITH] are detained in various Government departments.

The Senator from Arkansas [Mr. CARAWAY] is paired on this amendment with the Senator from Iowa [Mr. GILLETTE]. I am advised that if present and voting, the Senator from Arkansas would vote "yea" and the Senator from Iowa would vote "nay."

The Senator from Montana [Mr. WHEELER] is detained in the Committee on Interstate Commerce. I am advised that if present and voting, he would vote "yea."

The result was announced—yeas 43, nays 35, as follows:

YEAS—43

Andrews	Frazier	Miller	Schwellenbach
Barkley	George	Minton	Sheppard
Bilbo	Guffey	Murray	Shipstead
Bone	Harrison	Neely	Slattery
Borah	Hatch	Nye	Stewart
Bulow	Hayden	O'Mahoney	Thomas, Okla.
Chavez	Hill	Overton	Thomas, Utah
Clark, Idaho	Hughes	Pittman	Truman
Connally	La Follette	Reynolds	Van Nuys
Downey	Lee	Russell	Wagner
Ellender	McKellar	Schwartz	

NAYS—35

Adams	Gerry	Johnson, Colo.	Reed
Austin	Gibson	King	Taft
Barbour	Glass	Lodge	Tobey
Barkley	Green	Lucas	Townsend
Bilbo	Gurney	McNary	Vandenberg
Bone	Herring	Maloney	Walsh
Borah	Holman	Mead	White
Bridges	Holt	Norris	Wiley
Bulow	Johnson, Calif.	Radcliffe	

NOT VOTING—18

Ashurst	Caraway	Logan	Smith
Bailey	Davis	Lundeen	Tydings
Bankhead	Donahay	McCarran	Wheeler
Brown	Gillette	Pepper	
Byrnes	Hale	Smathers	

So Mr. CONNALLY's amendment, as modified, was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944); asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. MAAS were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 955) creating the City of Dubuque Bridge Commission and authorizing said Commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill., and it was signed by the Vice President.

AMENDMENT OF SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 6635) to amend the Social Security Act, and for other purposes.

Mr. LEE. Mr. President, at this time I wish to have taken up an amendment of mine lying on the table. I ask that the clerk state the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out beginning with line 7 on page 1, through line 22 on page 5, and to insert in lieu thereof the following:

SEC. 101. Effective January 1, 1940, title I of the Social Security Act is amended to read as follows:

"TITLE I—OLD-AGE ASSISTANCE"

"SECTION 1. (a) Every citizen of the United States who is 60 years of age or older and who is not gainfully employed shall, upon application, be entitled to receive a payment of \$40 for each month beginning with the month in which he files application or the month in which he becomes 60 years of age, whichever month is later.

"(b) No such citizen shall be deemed to be gainfully employed in any month unless he renders services during such month for which he receives remuneration in excess of \$10. The amount of any payment made to any such citizen for any month in which he is gainfully employed shall be deducted from subsequent payments to which he may be entitled.

"Sec. 2. (a) Applications for payments under this title shall be filed with the Social Security Board in such form as the Board may prescribe.

"(b) The provisions of sections 204 to 208, both inclusive (including penalties), shall, insofar as they are not inconsistent with the provisions of this title, be applicable with respect to payments under this title in the same manner and to the same extent as such provisions are applicable with respect to payments under title II.

"Sec. 3. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

"(b) The sums appropriated for making payments under this title shall be maintained in a separate account in the Treasury; and such payments shall be made by the Secretary of the Treasury from such account in accordance with certification by the Social Security Board."

Mr. LEE. Mr. President, I shall first explain the amendment by telling what it does not do. It does not change the pending bill or the present law with respect to, first, aid to the blind; second, aid to crippled children; third, aid to dependent children; fourth, aid for public health; fifth, aid for maternal and child welfare; sixth, vocational rehabilitation; seventh, unemployment compensation; and, finally, it does not change the present law or the pending bill with respect to old-age and survivors' insurance.

The amendment would, however, repeal the requirement of State contribution for aid to needy old people, and substitute therefor an outright Federal pension of \$40 a month to every citizen 60 years of age or more who is not gainfully employed.

The amendment provides that the pension shall be paid directly to the old person, without State administration. It also provides that payment be made regardless of need. In other words, the amendment provides a clear-cut Federal pension of \$40 a month without the administration of State officials, without regard to need of the individual.

Mr. President, this administration is the first administration to give old-age pensions. This administration deserves great credit for blazing the trail on the entire program covered by social-security legislation.

For the first time in the history of our Nation the Federal Government, in present law and in the pending bill, recognizes its obligation to crippled children, recognizes its obligation to blind people, recognizes its obligation to care for the health of the people throughout the Nation. For the first time in the history of this Nation the Federal Government, through this administration, has recognized the obligation of the Government to mothers, for maternal care, for the welfare of crippled children, and for the welfare of dependent children. For the first time in the history of this Nation the Federal Government, through this administration, has recognized the obligation of the Government to the old people of this country. Therefore I have only praise for the

efforts which have been made already to meet these problems, and I certainly have no caustic criticism to make of the present administration for the things it has done in that direction.

However, we must learn by experience. We can profit by the years of experience which we have already had with respect to the administration of the law in its application to old-age pensions.

Again let me make it clear that the amendment does not change the law which provides for contribution and for old-age insurance. For example, a person who is contributing now to a fund which will later be paid to him in the form of an old-age annuity would still be allowed to draw that fund. Whatever is provided in the amendment would be in addition to that. If that person, who is now contributing to a fund, should die, his survivors—that is, his widow and orphans—would receive the amount of money he has contributed. That is not changed by the amendment. It seeks only to repeal that part of the law which provides that the States must match money for the payment of pensions to old people, and to put in its place a Federal old-age pension which is paid to old people regardless of whether the State matches it or not, and is paid directly to them by the Federal Government.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. LEE. I yield.

Mr. TAFT. Has the Senator an estimate of how many people there are in the United States today who are over 60 years of age?

Mr. LEE. According to the last census, the Census of 1930, the total is 10,385,026. According to an estimate made by the Bureau of the Census in July 1938 there are 12,450,000 such persons in the United States.

Mr. TAFT. Then am I to understand that the amendment would require approximately \$5,000,000,000 a year from the Federal Treasury as opposed to approximately \$250,000,000 which the bill provides?

Mr. LEE. I do not believe so, and I base my belief on the following facts. In the first place the amendment provides payment only for those who are not gainfully employed, and according to figures furnished me, which seem to be reasonably accurate, there are 4,155,000 persons 60 years of age and over who are gainfully employed, which would leave a total of 6,230,000 who are not. That calculation is based on the census of 1930 of 10,385,026 persons, instead of the other figure which I gave. There is a little difference between the two. But it leaves a total of 6,230,000 persons, and that would amount to \$2,990,400,000.

Mr. President, there is precedent for paying old-age pensions. In the first place, we now make retirement payments to certain groups. We pay to those who have served in the Army and Navy after a certain number of years of service. We retire such persons on a good income. A major general is retired after 30 years' service on a monthly retirement pay of \$500. A brigadier general is retired on a monthly pay of \$375. A colonel is retired on a monthly pay of \$375. A lieutenant colonel on \$359.37 monthly pay. A major on \$338.12 monthly pay. A captain on \$281.25 monthly pay. A first lieutenant on \$225 monthly pay. A second lieutenant on \$187.50 monthly pay.

In respect to the Navy, a rear admiral's retirement pay is \$6,000 a year. A captain's retirement pay is \$4,500 a year. A lieutenant's retirement pay is \$3,300 a year. An enlisted man's retirement pay is from \$133.80 down to \$31.50 a month.

In addition to that, a Supreme Court Justice's retirement pay is \$20,000 a year. Federal judges are retired on full pay. Whatever their salary is, they are retired on that salary.

Furthermore, the civil-service groups are retired on pay according to their service and their pay after a certain number of years' service.

I do not hear any questions asked in the Senate when we appropriate money to make these retirement payments. I do not hear a Senator rise and ask, "How much will it cost?" It is accepted as a matter of course that these people have earned this retirement pay.

The mail carrier who brings our mail every day knows that at the end of a certain period of time he is going to be retired on sufficient to keep him in a respectable station of life. He also knows that he is protected by the civil-service laws; that he cannot be arbitrarily discharged. In other words, he is given a guaranty, so to speak, of a job with an income for 30 years, and then a guaranty of an income on retirement pay.

An Army officer or an enlisted man is given a certain guaranty of an income while he lives and while he serves. Then he is guaranteed an income afterward on retirement.

Let me ask the Senate, What about the laborer who does not know whether or not he will have a job next month? Consider his condition. It may be argued that because a man has given 30 years of service to the Government, therefore he should be retired with pay; but compare that with this argument: The man who is not sure of a job may say, "Why, I look at it the other way. That other man has been guaranteed a job for 30 years. If there is any difference, it ought to be in my favor, because I have not had a guaranty of a job. He has had an assurance that his job is secure, and in addition to that you guarantee him a living on a decent standard afterward, but I am not guaranteed even a job, and because I am not guaranteed a job, neither am I guaranteed a retirement pension after a certain number of years. Why," he says, "instead of saying that you owe that man retirement pay, you should say that he has been guaranteed a job all the time and has had an opportunity to save for his old age. He has had the best of it. I am the one who has been receiving the rebuffs of life. I lost my job and used up my saving. I am the one who needs a pension more than the man who has had a steady income all of his life."

A Federal judge cannot be dismissed. He serves for life during good behavior. He has a guaranteed income; and because of his service the Government says to him, "When you reach 70 years of age, after 10 years' service, we will continue you on full pay."

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. SCHWARTZ. Under sections 1 and 2, would the Government pay \$40 a month to a person over 60 years of age who has a substantial income but who has retired and is not performing any service?

Mr. LEE. That is correct. I shall discuss that question before I conclude.

I am pointing out that our Government is already committed to a policy of pensions and retirement pay. I do not wish anyone to interpret my remarks to mean that I do not favor retirement for Army or Navy officers or for enlisted men who serve in the Army or Navy. I favor such retirement. I favor retirement pay for men who serve on the bench. I favor civil-service retirement. However, I am arguing that since such individuals are protected from the hardships of life by virtue of the perpetuity and security of their positions, and since we grant them a continued income after a certain period of service, we should grant an income to the man who serves and who has not been so protected.

Whom could we better do without, the civil-service worker or the farmer? Who is to guarantee the farmer an income after he has spent his vigorous years producing food for the country? Who is to guarantee an income to the merchant? Who is to guarantee an income to the doctor, or to professional and business people who are not protected by our system of insurance and retirement funds? Who is to guarantee an income to the wage earner after he has given a life of labor?

I mention these things to show that we are committed to a system of retirement pay. The farmer, the laborer, the merchant, and the professional people, and all workers, are

just as much entitled to an income after they have served their fruitful years as are those who have served in protected capacities.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. LEE. I yield.

Mr. HATCH. I do not wish to interrupt the Senator's remarks; but he was talking about civil-service employees, and the thought occurred to me that there is a provision under which certain deductions are made from their salaries throughout the years to provide a retirement fund. Is not retirement something for which they themselves pay? I am asking for information.

Mr. LEE. I cannot answer that question directly. I am inclined to think that they make a contribution, and I believe the Government also makes a contribution. However, they have sufficient salary after the contribution is made to insure them a reasonable income. I am not saying what I say in criticism of that system. In fact, I voted for it when I was a member of the Civil Service Committee in the House.

Mr. HATCH. I merely wanted to interrupt the Senator to say that I am sure he desires to be fair in the matter.

Mr. LEE. That is correct.

Mr. HATCH. The RECORD should show that in a sense civil-service employees are paying for the retirement which is granted to them. In other words, it is not a gratuity from the Government.

Mr. LEE. In the case of an Army or Navy officer I believe that if there is a contribution from his pay it is not so considered. The same is true of Federal judges.

Mr. HATCH. I am sure the Senator is correct with respect to Federal judges. I have no information with respect to Army and Navy personnel.

Mr. LEE. If it be true that they make a certain contribution, they have enough left over to sustain them during the time they are working and after they have worked the necessary period to entitle them to a retirement income.

The present law with respect to old-age pensions for the needy is not good. Of course, it is better than none at all. I voted for it, and it is today serving a great purpose; but it has defects and faults which I believe we should correct at this time. We are blazing a new trail. We are working on a new subject. We should perfect and improve the law where it falls short.

At the present time the law requires State matching. We have just adopted an amendment; and all the argument in support of that amendment could just as well apply to the amendment which I have offered. It would apply even better, for the reason that the amendment which we have just approved, the amendment offered by the Senator from Texas [Mr. CONNALLY], removes only a degree of the objection raised to the present law. Everything the Senator from Texas said with regard to the present situation could be said with greater force in support of my amendment, because his amendment goes only part of the way toward correcting the fault of the present law. It only matches \$2 for \$1, instead of dollar for dollar, and that only up to \$15.

The Senator from Texas said yesterday, very effectively:

The point I am trying to drive home is that the Federal Government is responsible for this system. The Federal Government decreed that the policy of giving something to dependent aged persons in the United States should come into existence.

Why did we do that? Did we have any obligation to do it? It is said, "Yes; the Federal Government owes an obligation to all of the aged people who are dependent, who are in need. It owes them the duty of seeing that they get something toward relieving their need."

Very well. Where are these citizens? They are not all in Washington; they are not all in the Senate; they are not all in the House of Representatives. They are scattered throughout 48 States of the Union. They are all the same kind of citizens. They are all in need. They are all sovereigns in some State, in some Commonwealth.

What would we think of a government which said, "Well, now, there is a good citizen down in Arkansas who is in need. The Federal Government owes him something. But how much does it owe him? It owes him only \$3.08. There is another citizen in California in need. How much does the Federal Government owe

him? It owes him \$15." He is the same kind of a citizen, in the same condition, in the same country, under the same flag. But we give one of these citizens, the one in Arkansas, just \$3.08, and the other one, in California, \$15. Is that right?

We adopted an amendment which would cause the Federal Government to give the citizen in Arkansas a little more than he is receiving now. It would increase the amount he receives by one-third and to that extent it is an improvement over the present law. However, there would still be an inequality, and the Senator admitted that his amendment would not entirely correct the evil of which he spoke.

What is the average old-age pension in Arkansas? It is \$6.15 a month. What is the average old-age pension in Oklahoma? It is \$19.94. There is an imaginary line between Oklahoma and Arkansas. When I was campaigning for the Senate I may have crossed the line into Arkansas. I did not see any line. At that time Senator Robinson was living. One of my friends asked one of the men who was attending the meeting, "Are you going to vote for JOSH LEE?" He replied, "Well, I like JOSH all right, but I guess I will have to vote for Uncle Joe again." [Laughter.] Either I was over the line campaigning or this citizen was over the line listening. Usually I could tell when I crossed the line. When I crossed the line the applause was unanimous. When I got back into Oklahoma only those who were supporting me applauded. That was the only way I could tell I was over the line into Arkansas. [Laughter.]

The line is an imaginary one. A citizen living on one side of that imaginary line draws a monthly pension of \$6.15, while a citizen in exactly the same circumstances on the other side of the imaginary line, which cannot be seen, draws \$19.94. That is making fish of one and fowl of the other.

The amendment which we have just adopted does not correct that situation. It helps it only to a degree; but it does not eliminate the difference. It is left up to the States to decide, first, whether they are able, and, second, whether they want to match Federal funds and to what extent, even on a 2-to-1 basis, up to \$15. Even the pending bill, which amends the present law, would not correct that situation. It would only ameliorate it.

Yesterday the Senator from Florida [Mr. ANDREWS] read into the Record a very fine statement from the late Mr. Justice Cardozo, following the decision on the present law, in which he recognized and stated that our obligation to the old people is a national obligation. In the opinion, which was written by the late Justice Cardozo and concurred in by six Justices of the United States Supreme Court, all except Justice McReynolds and Justice Butler, the Court said:

The purge of Nation-wide calamity that began in 1929 has taught us many lessons. Not the least is the solidarity of interests that may once have seemed to be divided. Unemployment spreads from State to State, the hinterland now settled that in pioneer days gave an avenue of escape. * * * Spreading from State to State, unemployment is an ill not particular but general, which may be checked, if Congress so determines, by the resources of the Nation. If this can have been doubtful until now, our ruling today in the case of the *Chas. C. Steward Mach. Co.* (301 U. S. 548, ante, 1279, 57 S. Ct. 883, 109 A. L. R. 1293, supra), has set the doubt at rest. But the ill is all one or at least not greatly different whether men are thrown out of work because there is no longer work to do or because the disabilities of age make them incapable of doing it. Rescue becomes necessary irrespective of the cause. The hope behind this statute is to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near.

Then later in the opinion the Court said:

The problem is plainly national in area and dimensions.

A second fault of the present law is that old people are required to prove their poverty in order to receive old-age pensions. An old man must prove that he is "broke"; that he has no property; that he has no relatives or kin sufficiently close who will support him. In other words, whether or not we like to say it, he must take a pauper's oath in order to be eligible to receive an old-age pension.

The present plan penalizes the thrifty and rewards the extravagant. A man who has nothing and proves that he has nothing is put on the pension roll, but another man who has been a little more thrifty and has foregone some of the

pleasures of life and accumulated and saved a little property is penalized by not being eligible to receive a pension. So the present law places a penalty upon the thrifty and offers a reward to the extravagant.

Again the present law is faulty because it causes friction since the human equation enters into the decision of whether or not a man or a woman is entitled to receive an old-age pension. The amendment which I have offered will remove that friction because it will remove the element of human judgment. A State board in every State now sits in judgment to decide the question whether or not an individual is in need and to what extent he is in need before he may receive a pension. I say that form of procedure should be eliminated. Most of the misunderstanding, most all of the friction that has arisen in the administration of the law, has been due to that very element of human judgment deciding that one man is in need and his neighbor is not in need or is in need to a lesser degree.

Year before last Oklahoma received some unfavorable publicity, which I greatly regretted. It grew out of the allegation that dead men were on the pension rolls in Oklahoma. When investigation was held before the Social Security Board, members of the State board of Oklahoma explained that the reason the names of some who were dead were on the rolls was due to the fact that the case load in Oklahoma was so heavy that the social-security workers could not visit the pensioners sufficiently often to check the rolls. One social-security worker, a girl, perhaps—most of them are girls—had 1,000 old people whom she had to interview. That was the average, we were told. The social-security worker had to go to the homes, ascertain everything possible as to the economic condition of the old people, and then report back to the State board. If she had to visit a thousand homes that would mean at least three or more pensioners a day from whom she would have to secure all the necessary information. The statement was made that the case load was so heavy that she could make the rounds so infrequently that some of those on the pension roll had died since the list was last checked. That is a reasonable explanation of that condition.

The point I am coming to is that the machinery of administration under the present law is so intricate and complicated that, in itself, it results in friction and will continue to result in friction, and it also adds to the cost of administering the present law. Much of the money that is intended to go to the old people must, of necessity, be spent in administration, in order to determine who should be on the rolls and who should not be on the rolls.

The Senator from Wyoming [Mr. SCHWARTZ] asked a very proper and important question a while ago. He asked if, under this proposal, every person 60 years of age would receive \$40 a month. My reply is, "Yes; he would"; and the universality of its application would meet with the approval of the people throughout the country. For example, Henry Ford would receive a pension of \$40 a month if it should be determined that he was not gainfully employed, but, with a fair tax adequate to raise the money for the payment of the amount provided, Henry Ford would pay back in taxes much more than he would receive in pension, and he would pay it much more willingly when he realized that the plan was fairly administered and that its simplicity argued in its favor.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. SCHWARTZ. I wonder if the Senator has any information as to the number of people over 60 who have private incomes which enable them to live according to good, American standards of living?

Mr. LEE. I do not have such information. I have only the figures as to those who are considered to be gainfully employed, and, in round numbers, of 10,000,000 people 60 years of age or over, 4,000,000 are gainfully employed or are so considered. It is safe to say that only a small percentage of people 60 years of age and over have an income sufficient to sustain them. The percentage must, of necessity, be small, because when we consider the people around us, we

know that the number who are poor is much greater than the number of those who are wealthy. Those who no longer have jobs and who can depend entirely upon income from wealth naturally must constitute a small percentage. For that reason I am persuaded that the payment of old-age pensions, regardless of need, is desirable, because many persons in the middle class who would receive \$40 a month, even though they might be able to eke out an existence without the \$40, would have their purchasing power increased, and the money would find its way immediately back into the current of circulation, for they would spend it; they would buy things they want and need; and many who might be able to get along without it would put it back in circulation and thereby increase our national income and stimulate employment.

The question is asked, "Why \$40 per month? Why not \$45, or why not \$50, or why not \$60, or why not \$30?" I grant you that I have no magic method of determining exactly the right amount; but the Gallup poll which was published in the Washington Post of February 26, 1939, gave us the figure of \$40 per month. After Dr. Gallup had taken a poll, the average pension which the people of the United States were willing to support was \$40 per month.

The question which was sent out by Dr. Gallup was, "Do you believe in old-age pensions?" The response to that question was, "Yes," 94 percent; "No," 6 percent.

The next question was, "About how much pension per month do you believe should be paid?" The average of the answers to that question was \$40. These figures are the average for all those who stated a figure. The amounts varied in various sections. For example, Southern States had a low figure of \$31; Western States had a high figure of \$44; West Central States had a figure of \$36; but the average was \$40.

This question then was asked, "Would you be willing to pay a sales tax or an income tax to pay these pensions?" The result of that questionnaire was, "Yes," 87 percent; "No," 13 percent.

Forty dollars per month is not enough to discourage taking out life-insurance policies. Forty dollars per month is not enough to destroy retirement plans of private companies. A pension of \$40 per month would augment an income from the pension of a private company, or it would augment an annuity paid by a life-insurance company. I am persuaded that it would even encourage taking out such annuities, because it is very difficult for an average man in the middle class to pay for enough life insurance to give him a large enough annuity to encourage him to lay aside the little he would be able to spare from his daily living; but when he realized that he would receive a pension of \$40 per month, he would know that whatever life insurance he might be able to pay for would simply augment his income to that amount, and I think the adoption of the amendment would encourage taking out life-insurance annuities. I believe it would further encourage the retirement plans of private companies and institutions and professions.

Forty dollars per month is not enough to discourage saving. It would encourage saving. A person would have an incentive to save. If he knew his income above 60 years would be only \$40 per month, he would say, "Well, if I can save a little I shall have more to spend. I can live in a little better condition than I could with only \$40 per month."

Again, the question is asked, "Why 60 years? Why not 65? Why not 70? Why not 50?" I cannot answer that question. We have to arrive at some reasonable figure. It may be that the age ought to be lower than 60 years, because business discriminates against a man after he is 40 years of age. If you apply for a job after you are over 40 years of age you run squarely into the policy of companies which will not employ workers above 40 years of age.

In this regard I wish to read again from the opinion which was written by Mr. Justice Cardozo, and which the Senator from Florida [Mr. ANDREWS] quoted yesterday:

In 1930, out of 224 American factories investigated, 71, or almost one-third, had fixed maximum hiring-age limits; in 4 plants the limit was under 40; in 41 it was under 46. In the other 153 plants

there were no fixed limits, but in practice few were hired if they were over 50 years of age.

As a man grows older, usually his responsibilities increase, his obligations increase, and his possibility of earning decreases. Sixty years seem to be a fair and reasonable age, because I doubt if a man 60 years of age could secure employment in industry today unless he was a craftsman of unusual expertness, and his efficiency was not impaired because of his years. It might be possible then that he could secure employment for a few more years. The principle involved of paying an outright Federal pension is the important thing, not as to whether the age should be 60 or 65.

Mr. President, I am going to ask for a yea-and-nay vote on this amendment. I have heard different persons giving lip service to the old people in very general terms and very general phrases. Now, let us see if that lip service was lip service only. Here is the vote.

I support this old-age pension for economic reasons as well as for sentimental reasons, if you want to call them that, or emotional reasons, or humanitarian reasons. I support it for economic reasons.

The amendment would decrease unemployment, first, by making room for more young men. As the amendment is drawn, the pension would be paid to those not gainfully employed. Many old persons who are working, but who are not really able to work, would surrender their employment under this plan, and that would make room for younger men and give them employment, and the old persons would still have incomes.

Again, the amendment would decrease unemployment because it would tremendously increase purchasing power, and that increase in purchasing power would increase the demand for goods. The increased demand for goods would increase the demand for employment and thereby increase jobs.

The amendment would force money into circulation and restore prosperity.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. LEE. I do.

Mr. VANDENBERG. I desire to ask the Senator for one bit of information regarding his proposal. Has he submitted an estimate of its cost?

Mr. LEE. The nearest estimate I can arrive at is \$2,990,000,000.

Mr. VANDENBERG. In round numbers, \$3,000,000,000?

Mr. LEE. In round numbers, \$3,000,000,000. The estimate is based upon the census of 1930, and the estimate of old persons gainfully employed.

Mr. VANDENBERG. How is the Senator proposing that the money shall be raised? Is he suggesting some special tax in connection with it?

Mr. LEE. I am not suggesting any tax in the amendment. I am prepared to vote for a tax, but the money would have to be raised in the same manner that money is now being raised to pay pensions through the present law.

Mr. VANDENBERG. But it cannot be raised, as the Senator knows, from income taxes to an extent equal to \$4,000,000,000. We must find some other method of taxation, and I was wondering whether the Senator would approve the theory of the sales tax or the transactions tax in order to get the money.

Mr. LEE. I will approve whatever tax the Finance Committee report as one that they recommend to raise this money, and let me correct the Senator. Instead of \$4,000,000,000, the estimated amount is \$2,990,000,000, or, if the Senator likes, in round numbers, \$3,000,000,000. The amount is large enough. Let us not make it larger than it actually is.

I am prepared to vote for a tax to raise this sum. In this particular measure I am not offering or recommending a tax, but whenever the Finance Committee of the Senate or the Ways and Means Committee of the House shall report a measure providing for a tax to raise the money to pay these benefits, I am prepared to support it and to vote for it.

Mr. VANDENBERG. I happen to be a member of the Committee on Finance, and I happen to know some of the grave difficulties in finding available tax targets from which to get enough money to make it possible to come anywhere near closing the existing fiscal gap in the Government's operations, and I was wondering whether the Senator had any suggestions to offer as to where this tax could be levied in order to produce the \$3,000,000,000.

Mr. LEE. Of course, I have some opinions, which I shall be glad at the proper time to offer to the Committee on Finance. However, I feel that the Senator and the other members of the committee should, and will, at the proper time, if this amendment shall be agreed to, bring forward a tax, and whatever tax plan they bring forward, it is my intention to support it, and I believe the people of this country will support it. I cannot swear by the Gallup poll, but it seems to hit a pretty good average in getting the opinions of the people; and in one of the questionnaires which Mr. Gallup has sent out, and which was published in the Washington Post on February 26, 1939, this question was asked:

Would you be willing to pay a sales tax or an income tax to pay these pensions?

Yes, 87 percent.

No, 13 percent.

I believe that the people of this country are willing and ready to support the imposition of a tax for this purpose. I am not yet prepared to say that it should be a sales tax. I am not prepared to say it should be a tax raised all from one source.

Mr. VANDENBERG. Of course, it would not be possible to get \$3,000,000,000, or anything like it, from an income tax. It will be necessary to resort to some new tax method, and that is what induced me to ask the Senator the question. I feel as the Senator from Virginia stated he felt a few hours ago; much as I disagree at the moment with the philosophy of the transactions tax, under the Townsend plan, I think the proponents of that plan are to be tremendously commended for their courage and their bravery in proposing the means with which to pay the bill which they propose to incur. I share every sentiment the Senator has uttered about the wisdom and desirability of old-age pensions, yet it seems to me it is a snare and a delusion to hold that mirage before the senior citizens of this country, except as it is balanced with a specific program for producing the money with which to pay the bill.

Mr. LEE. Of course, that is very sound; but let us see about it. I stated that I was willing to vote for any tax the committee would present to this body to finance what I propose. The Senator from Michigan says he agrees with everything I propose.

Mr. VANDENBERG. No; I say I agree—

Mr. LEE. With the sentiment.

Mr. VANDENBERG. With the sentiment the Senator utters, and that it would be a splendid thing if what he proposes could be done. I am asking the Senator to show me how it can be done, in dollars and cents.

Mr. LEE. Will the Senator then join me also in saying he will vote for any tax bill the Committee on Finance will present to this body for financing such a proposal?

Mr. VANDENBERG. Certainly not, unless the tax bill is one which in its very nature does not stifle American industry and commerce, and does not make it impossible for us to do anything except to live on a pension system sooner or later. That is the reason why I am interested in finding how the Senator wants us to raise the money, because I am keenly concerned in finding the practical means of doing it, and I am wondering whether the Senator has any suggestion.

Mr. LEE. This is just another case of lip service, but when it comes to voting the Senator says, "No, I will not vote for anything the committee brings out; I will not vote for a transactions tax;" and I suppose the Senator is ready to say he will not vote for a gross income tax.

Mr. VANDENBERG. The Senator uses the phrase "lip service" with a great deal of freedom. Let me say to the

Senator that I think it is lip service to propose these pensions without proposing a way to raise the money.

Mr. LEE. The Senator seems to favor an old-age pension, but he is not willing to say that he will propose a tax or vote for a tax to provide the money for paying it. I say I am willing to vote for any tax the Finance Committee will report for financing it.

Mr. VANDENBERG. I do not think the Finance Committee can find a tax with which to pay it, and I am asking the Senator where he would find it.

Mr. LEE. If the Finance Committee is made up of members of the same frame of mind as that of the Senator from Michigan, no doubt the Senate Finance Committee will never find one, or bring in a proposal, for financing such a humanitarian program.

Mr. VANDENBERG. It takes more than a frame of mind to finance a tax.

Mr. LEE. Yes; it takes courage.

Mr. VANDENBERG. And it takes resources.

Mr. LEE. Does the Senator mean to tell me that in the richest Nation on the face of the earth we cannot get sufficient money to take care of the men and women who made the wealth of this country?

Mr. VANDENBERG. I mean to say to the Senator that for 7 years we have failed by \$3,000,000,000 a year to find the money with which to pay our bills.

Mr. LEE. Because the Finance Committee has not brought in a tax bill to accomplish that, and every time we offer a tax bill the Senator is one of the first to say, "Let us not stifle business."

Mr. VANDENBERG. The Senator knows that is not accurate if he is familiar with the RECORD. I have voted for every increased tax amendment proposed by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE]. I have voted for every increased tax that has been proposed in the Senate for the purpose of paying the Government's bills, and I cannot do any more than that.

Mr. LEE. But the Senator is not willing to vote for a tax bill to raise the money with which to pay old-age pensions.

Mr. VANDENBERG. I cannot vote for a tax bill which the Senator will not present to me. I am trying to find out how he proposes to raise the money, what kind of a tax it is he wants.

Mr. LEE. Tax proposals have been presented, but the Finance Committee have not reported them. The Townsend-plan advocates proposed a transactions tax, a turn-over tax, a gross-income tax; they have all been presented, but I have not heard the Senator advocating any of them with which to finance this proposal.

Mr. VANDENBERG. Is the Senator in favor of the transactions tax?

Mr. LEE. I am in favor of any tax the Finance Committee will report; and if they will report a tax to this body, I will support it.

Mr. VANDENBERG. The Senator is very careful to hide behind the Finance Committee before he makes his commitment. Will the Senator support a transactions tax per se, himself?

Mr. LEE. Certainly.

Mr. VANDENBERG. That is the exact answer I want; and if the Senator joins that with his proposal, I say he is on sound ground.

Mr. LEE. Will the Senator vote for the amendment, then?

Mr. VANDENBERG. I will not. [Laughter.] But this is the first time in the course of the Senator's address that I have discovered precisely how he is willing to raise the money, which is what I have been trying to discover.

Mr. LEE. I am willing to raise it in that way; I am willing to raise it by a gross-income tax; I am willing to raise it by any tax the Finance Committee will report to this body, or the Ways and Means Committee will report to the other body. I think any tax ought to have the careful scrutiny of the committees. I think it ought to be gone over by experts.

At first it was my intention to offer a tax measure along with the amendment I am now offering, but finding that it

had not gone through the hot fires and the close scrutiny and the careful, fine-tooth combing of either one of the revenue committees, I did not present the measure, because I did not want merely to make an empty gesture. I will prove my faith by my works at any time, but I am convinced that the Senator from Michigan is not willing to support any kind of a tax that will raise the money to pay the old people of this country \$40 a month. I challenge him now to stand up and tell the Senate, in my time, whether he will support any kind of a tax; and if so, what kind?

Mr. VANDENBERG. I shall be very happy to tell the Senator. The first thing I want to find is a tax which will pay the existing \$3,000,000,000 deficit of the Federal Government. Thus far the Finance Committee, under the leadership of the Senator's administration, has been unable to find such a tax, although I have supported every increase proposed.

In my judgment, if the existing spending tempo, without an increase of any nature, shall continue, there will be no recourse except a national sales tax, and much as I should regret to resort to that, I expect sooner or later to have to vote for some kind of a national sales tax, unless the spending deficits decrease.

After we have found a way to put the Public Treasury on a solvent basis, in the presence of its existing obligations—which, in my judgment, cannot be ignored very much longer—then, on the basis of what I anticipate will be the increased costs of this Nation, just so soon as we are on a sound fiscal basis nationally, with respect to the Government, I should be perfectly willing to expand the sales tax to pay whatever reasonably ought to be paid in behalf of the senior citizens, so-called, of this country. I am not prepared to give the Senator a bill of particulars, because I have not the slightest idea of what it will be.

Mr. LEE. The Senator expected me to give a bill of particulars and answer definitely, which I did, but the Senator has not done so, and I will give him a chance now to say what tax will he vote for to pay the old people of this country \$40 a month.

Mr. VANDENBERG. I asked the Senator for a bill of particulars because he is proposing a measure which would call for the expenditure of a vast sum. Whenever I propose that the Government expend money I will submit the method by which I think the Government should obtain the money.

Mr. LEE. But the Senator wanted it to go into the RECORD that he agreed with the sentiments of the Senator from Oklahoma, which were for an old-age pension, but he is not ready to offer any proposal for paying the pensions, and I am.

Mr. VANDENBERG. I am glad the Senator finally has done so.

Mr. REYNOLDS. Mr. President, will the Senator from Oklahoma yield?

Mr. LEE. I yield.

Mr. REYNOLDS. As the Senator knows, I am very much interested in providing for the elderly in this country, and I have a suggestion to make. I should like to know from the Senator how much it is going to cost annually to take care of the elderly people of this country, under the plan proposed by him?

Mr. LEE. As near as I can estimate, \$2,990,000,000.

Mr. REYNOLDS. I have a proposal to make which will take care of those people for at least 6 years. The countries abroad, with whom we were allied during the World War, owe us \$13,000,000,000. I am suggesting, and have heretofore suggested, and have presented a resolution to that end, the appointment of an American gentleman to go abroad and rap on the doors of all those nations every day and ask them to pay us the money which they owe us. He might tell them that we want that money because we are nearly broke, and we want to look after the old people in this country, whom we love. If we can get those "chiselers" to pay the taxpayers of this country the \$13,000,000,000 they owe us, then we can take care of our old folks, at least for 6 years.

Mr. LEE. I appreciate that statement from the Senator, and I imagine that he and I will both be waiting a long time, and the Congress will be waiting a long time if we have to wait for either the Senator from Michigan to advocate a tax plan which will finance this proposal, or for foreign governments to pay the debt which the able Senator from North Carolina is interested in collecting. I may say that I share his feeling in the matter. I wish we could collect the debt. But I have never been one who continues to follow a vain hope. I am ready and willing now to vote, and will vote today for a tax measure which the proper fiscal committee of either House is willing to recommend which will pay for this proposal. I will vote for a tax measure, if the committee will report it, which will enable \$40 a month to be paid to the old people. I should like to hear the Senator from Michigan say as much. Yes; there is lip service to the old people. Yes; they are told how they built this country. They are told how their dear trembling old fingers have erected monuments in America, but when we come to the vote, where are those who tell them that? We just cannot get the money to do it.

In a campaign it is very easy to say, "I am for a reasonable old-age pension." And there is another good statement behind which lip-service pension advocates can hide: "I am for an adequate old-age pension which can be raised in a reasonable manner without stifling business." There is plenty of cover there to hide anyone.

Yes, Mr. President; I am for an old-age pension, and I am offering an amendment which would provide a pension of \$40 a month. Forty dollars a month would make the old people very happy, and it would keep many of them from misery.

We no longer send old people to the poorhouse. We make them take a pauper's oath for a pauper's pension. We have just voted to adopt an amendment to increase the amount of the pension. I voted for it, and I approve it. I commend the present administration for being the only administration which has ever considered the old folks in legislation so far as an old-age pension is concerned. I am for that, and I think we ought to refine and improve the pension legislation. The way to improve it is to separate the Federal old-age pension from the State pension, and not make fish of one citizen and fowl of another. We pay one citizen \$6.15, and another citizen, under exactly the same circumstances, across an imaginary line, not 100 yards away, \$19.94.

Mr. CLARK of Idaho. Mr. President—

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. LEE. I yield.

Mr. CLARK of Idaho. Is it fair to say that what the Senator from Oklahoma means is that today we pay the old folks a pension not to live on but to die on?

Mr. LEE. I imagine that pretty well covers it.

The average amount paid in Oklahoma is \$19.94. That means, as was shown in the hearings here, that some old people there receive \$1.36; perhaps some receive less than that.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. CHAVEZ. When the Senator from Oklahoma says that some States pay as much as \$6 he is too liberal. I have right now on my desk many letters from persons in my State who say they receive as low as \$2.82. I do not know which would be the better, to go to the poorhouse or to receive only \$2.82.

Mr. LEE. Mr. President, I have always felt that the poorhouse is a disgrace and a shame. Of course, the poorhouse was developed and came into being, I supposed, as an act of mercy. People decided that instead of letting old people die on the street they would have a county farm or a county poorhouse, and those who were not able to take care of their mothers and fathers, or were not charitable enough to take care of them, sent them "over the hill to the poorhouse," where most of them died of a broken heart instead of old age. There is not a great deal of difference in that

and forcing our fathers and mothers to say by affidavit, and to prove, "I do not have a cent in the world. I do not have a thing in the world on which to live. I must take the pauper's oath in order to get \$6.16 a month." Of course, it is the intention of the administration that the procedure shall be kindlier, and I suppose it is. I voted for the improvement in the law relating to that matter. I shall vote for every amendment which will improve the law and provide a better and a more adequate old-age pension for old people.

Mr. President, I did not build any of the great buildings in the United States. I did not build any of the great industries. Not many other Senators did. In the years we have lived we may have contributed to creating the wealth in America. The economists estimate the assessed wealth in the United States at \$450,000,000,000. I suppose I have contributed very little of that; and persons younger than I have contributed still less.

Mr. President, who erected these buildings? Who built America? Who cut down the timber and cleared the land? Who broke the sod? The old people in this country made this country the great Nation it is today. They have served; they have worked; they have toiled; they have foregone pleasures; they have foregone necessities.

The first time I remember gazing on western Oklahoma I was looking out of the back end of a covered wagon. That little hole where the wagon sheets come together was just big enough for my head. There was an old hound dog trotting under the coupling pole, and the wagon tongue was pointing west. Father drove the wagon. We were driving from Pauls Valley, Indian Territory, to a new strip in western Oklahoma. We drove there, and we dug a hole in the ground and we lived in it. I saw other settlers come. I saw them pick up sod as the sod plow turned it over. I saw them lay it in long strips, one layer on top of another, until they built what we called sod shanties. Then I saw them break out a little strip of land. They would haul water in times of drought. Then they would dig down to get "gyp" water. We lived out there as best we could.

Mr. President, I think we never would have settled western Oklahoma if it had not been for prairie dogs. We did not eat the prairie dogs—at least I do not think we did—but the prairie dogs destroyed the crops, and at Hobart, the county seat of Kiowa County, they offered a bounty for every prairie dog we would kill and take in to the county seat. At Cordell, the county seat of Washita County, a bounty was offered for every prairie dog we killed and took to the county seat.

Mr. President, every westerner is a good shot, and the dogs accumulated faster than they could be taken care of. Finally, the county authorities said, "Do not bring the whole dog. Just bring in his head or his tail, or some part of him to show you killed him." That was done at Hobart, and it was also done at Cordell in Washita County. We soon got onto that. We took the tails to Kiowa County and the heads to Washita County, and we settled western Oklahoma on heads and tails. [Laughter.]

The old pioneers developed that country. Later I went back and I saw the fields of alfalfa growing there. Then I have seen the hot winds sweep over that country and blight the crops.

Not long ago I was in western Oklahoma. I attended a meeting where there were many old-age pensioners. There I saw some of the men whom I had known years ago when they were young, when their muscles were hard and strong, when their eyes were quick and clear. There they were in a mass meeting, begging for enough money to live on until the Grim Reaper should take them away. There they were, silver-crowned mothers; there they were, the first citizens of Oklahoma, gray-bearded fathers who had made Oklahoma one of the great empires of the Nation. They had toiled; they had worked; they had labored; they had hoped, and they had nothing to live on until they died. They were asking for a pension as dividends for services already rendered.

Mr. President, I say it is not charity. It is not a gift. It is a delayed annuity. It is dividends on labor already accomplished.

Our Government is already committed to such a policy. We have passed a law called the wage-hour law which limits the number of hours that people may work. Why? Because we have more workers than we have jobs. Therefore we are cutting down on the hours. Then it is sensible to cut off employment at both ends. We have an N. Y. A. program, a youth program which gives employment to young people and takes them out of competition with regular wage earners. Then why not offer some inducement and some incentive to the old people to surrender jobs which they are no longer able to perform, and make more room at the top as well as at the bottom of the scale, thereby increasing employment?

We are already committed to a limitation on hours. My amendment would simply further that program by cutting off employment at the top, or at the bottom, whichever way one looks at it, and making more jobs available for young people, paying to the old people a delayed accumulation of their dividends from the wealth of America, which they have helped to create and accumulate.

It may be said, "But that is a compulsory insurance policy."

That is exactly what it is; and the Government has a precedent for it. During the war we passed the War Risk Insurance Act, under which the Government said to every mother's son who went to war, "You must take out an insurance policy. We will take the premiums out of your soldier's pay. We will insure you." My proposal is that the Government, through whatever tax program Congress deems advisable, raise the money from those who are able to pay, at a time in their lives when they are earning enough to pay a part of the premium and store up for themselves an annuity to be paid in their old age. That is what the proposal amounts to. It is an old-age annuity, to begin at the age of 60, and pay \$40 a month as long as the beneficiary lives.

Mr. President, I ask for the yeas and nays on this question. Let us show by our votes whether we are rendering only lip service, or whether we are willing to face the music and go on record for an old-age pension.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

During the delivery of Mr. LEE's speech,

THE JUDICIARY—ELMER D. DAVIS

Mr. McKELLAR. Mr. President, will the Senator from Oklahoma yield to me? As the Senator knows, I am on a committee which will have to leave the city in a few minutes.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Tennessee?

Mr. LEE. I yield.

Mr. McKELLAR. I ask unanimous consent, as in executive session, that the nomination of Elmer D. Davies to be United States district judge for the middle district of Tennessee be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, I understand the exigencies of the occasion which cause the request for unanimous consent. For my part, I have no objection.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, I ask unanimous consent also that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

SAM E. WHITAKER—NOTIFICATION TO THE PRESIDENT

Mr. McKELLAR. As in executive session, I also ask unanimous consent that the President be notified of the confirmation yesterday of the nomination of Sam E. Whitaker to be judge of the United States Court of Claims.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the nomination of Mr. Whitaker.

After the conclusion of Mr. LEE's speech,

AMENDMENT OF SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 6635) to amend the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma [Mr. LEE].

Mr. LEE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	King	Schwollenbach
Austin	Ellender	La Follette	Sheppard
Barbour	Frazier	Lee	Shipstead
Barkley	George	Lodge	Slattery
Bilbo	Gerry	Lucas	Smith
Bone	Gibson	Lundeen	Taft
Borah	Green	Maloney	Thomas, Okla.
Bridges	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Minton	Tobey
Burke	Hale	Neely	Townsend
Byrd	Harrison	Norris	Vandenberg
Capper	Hatch	Nye	Van Nuys
Chavez	Hayden	O'Mahoney	Wagner
Clark, Idaho	Herring	Overton	Walsh
Clark, Mo.	Hill	Pittman	Wheeler
Connally	Holman	Radcliffe	White
Danaher	Hughes	Reynolds	Wiley
Davis	Johnson, Calif.	Russell	
Donahey	Johnson, Colo.	Schwartz	

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Seventy-four Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE]. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HARRISON. Mr. President, I understand the yeas and nays have been ordered on this amendment.

The PRESIDING OFFICER. That is correct.

Mr. HARRISON. I merely wish to make the statement that representatives of the Social Security Board inform me that the amendment, if adopted, would cost approximately \$5,000,000,000 at the very outset.

Mr. LEE. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. LEE. Will the Senator give us the figures upon which he bases his estimate?

Mr. HARRISON. The Senator gave figures which were based upon the census for 1930.

Mr. LEE. Have we had any census since that time?

Mr. HARRISON. The figures which I have given are based on the latest obtainable figures from the Social Security Board. The Senator will realize that over a period of 9 years there has been a large increase in the number of persons in the United States over 60 years of age.

Mr. LEE. There has been no official census, though, since 1930.

Mr. HARRISON. No; there has been no official census since then.

Mr. LEE. The estimate of the Bureau of the Census places the figure on July 1938 at 12,450,000.

Mr. HARRISON. I may say to the Senator that I desired to call attention before the vote is taken to the fact that the figures given by me are the latest that could be procured by the Social Security Board. The Board states that the Lee amendment would probably cost about \$5,000,000,000 a year at the very outset, and the sum would increase in future years, due to the increase in the number of the aged.

The figures as given in the committee report and as furnished by the Advisory Council on Social Security show that of persons 65 years of age and over, there are now in the United States about 8,200,000, and that in 1980 there will be 22,000,000 such persons. It is perhaps a peculiar thing, but the number of old people increases proportionately greater than the number of the young people. So the Board states there will be in 1940 over 13,000,000 persons aged 60 and over. About 4,500,000 of this number are estimated to be gainfully employed, but a large percentage of these persons earn less than \$480 per year and would be encouraged to withdraw from

gainful employment to accept the pension proposed by the Senator from Oklahoma. It is reasonable to assume, therefore, that 10,000,000 persons could qualify for pensions in the first year at a cost of \$4,800,000,000. Since the number of persons aged 60 and over will double within the next 40 years, such a pension will eventually cost the Federal Government a minimum of \$10,000,000,000 a year.

Mr. BARKLEY. Did the Senator say "ten million" or "ten billion"?

Mr. HARRISON. I said "\$10,000,000,000 a year."

Mr. LEE. Mr. President, will the Senator yield?

Mr. HARRISON. Yes.

Mr. LEE. First, I cannot accept those figures. They are based on estimates, and I feel that they do not come from a sympathetic source. Then, I wish to state that, according to the only official figures I can obtain, in round numbers, the cost will be \$3,000,000,000, and that a gross-income tax of 1 percent or a transaction tax of 1 percent, if the estimates furnished in the hearings of the House are correct, would pay that amount.

Mr. HARRISON. I ask permission to insert in the RECORD at this point a table giving the actual and estimated number of persons aged 60 and over and aged 65 and over compared to total population, 1860-1980. These estimates were made by the President's Committee on Economic Security. As indicated in the table, the figures for 1860 to 1930, inclusive, are actual; those for 1940-80 are estimates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Actual and estimated number of persons aged 60 and over and aged 65 and over, compared to total population, 1860-1980¹

Year	Total population	Population aged 60 and over		Population aged 65 and over	
		Number	Percent	Number	Percent
1860.....	31,443,000	1,348,000	4.29	849,000	2.70
1870.....	38,558,000	1,933,000	5.01	1,154,000	2.99
1880.....	50,156,000	2,827,000	5.64	1,723,000	3.44
1890.....	62,622,000	3,882,000	6.20	2,424,000	3.87
1900.....	75,995,000	4,880,000	6.42	3,089,000	4.06
1910.....	91,972,000	6,225,000	6.77	3,958,000	4.30
1920.....	105,711,000	7,923,000	7.49	4,940,000	4.67
1930.....	122,775,000	10,385,000	8.46	6,634,000	5.40
1940.....	132,000,000	13,251,000	10.04	8,311,000	6.30
1950.....	141,000,000	16,908,000	11.99	10,863,000	7.70
1960.....	146,000,000	20,168,000	13.81	13,590,000	9.31
1970.....	149,000,000	22,685,000	15.22	15,055,000	10.10
1980.....	150,000,000	25,406,000	16.94	16,990,000	11.33

¹ Figures for 1860-1930, inclusive, are actual; 1940-80 figures are estimates of the President's Committee on Economic Security, 1935.

Mr. HARRISON. Mr. President, I am opposed to the amendment, and I hope the Senate will vote it down.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HALE (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. BYRNES]. I understand that, were he present, he would vote as I intend to vote. I therefore am at liberty to vote, and vote "nay."

Mr. HOLMAN (when his name was called). I have a general pair with the distinguished Senator from Tennessee [Mr. STEWART], who has been called away to attend the funeral of the late Representative McReynolds of Tennessee. I do not know how the Senator from Tennessee would vote, if present. If I were permitted to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if present he would vote as I intend to vote. I am therefore free to vote, and vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. HARRISON (after having voted in the negative). I transfer my general pair with the Senator from Oregon [Mr. McNARY] to the senior Senator from North Carolina [Mr. BAILEY] and allow my vote to stand.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote if present, I withdraw my vote.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from South Carolina [Mr. BYRNES], the Senator from Virginia [Mr. GLASS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business. I am informed that if present and voting, these Senators would vote "nay."

The Senator from Iowa [Mr. GILLETTE] and the Senator from Montana [Mr. MURRAY] have been called to Government departments and are unable to be present for the vote.

The Senators from Tennessee [Mr. McKELLAR and Mr. STEWART], the Senator from Arkansas [Mr. MILLER], and the Senator from Missouri [Mr. TRUMAN] are members of the committee to attend the funeral of the late Representative McReynolds, and are, therefore, necessarily absent.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Arkansas [Mrs. CARAWAY], the Senator from West Virginia [Mr. HOLT], the Senator from Kentucky [Mr. LOGAN], and the Senator from Nevada [Mr. McCARRAN] are detained on important public business.

The Senator from Florida [Mr. ANDREWS] is attending a meeting of the Committee on the Judiciary.

The Senator from Florida [Mr. PEPPER] is absent on official business. He has a pair with the Senator from Maryland [Mr. TYDINGS]. I am informed that if present and voting, the Senator from Florida would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Arizona [Mr. ASHURST] and the Senator from New Jersey [Mr. SMATHERS] are detained from the Senate because of illness in their families.

Mr. AUSTIN. I announce that the Senator from Kansas [Mr. REED] is detained on official business. He has a general pair with the Senator from Missouri [Mr. TRUMAN].

The result was announced—yeas 16, as follows:

YEAS—16

Bilbo	Donahay	Lee	Schwartz
Borah	Downey	Lundeen	Schwellenbach
Chavez	Ellender	Minton	Thomas, Okla.
Clark, Idaho	Frazier	O'Mahoney	Wheeler

NAYS—55

Adams	Gerry	King	Sheppard
Austin	Gibson	La Follette	Shipstead
Barbour	Green	Lodge	Slattery
Barkley	Guffey	Lucas	Smith
Bone	Gurney	Maloney	Taft
Bridges	Hale	Mead	Thomas, Utah
Bulow	Harrison	Neely	Tobey
Burke	Hatch	Norris	Vandenberg
Byrd	Hayden	Nye	Van Nuys
Capper	Herring	Overton	Wagner
Clark, Mo.	Hill	Pittman	Walsh
Connally	Hughes	Radcliffe	White
Danaher	Johnson, Calif.	Reynolds	Wiley
George	Johnson, Colo.	Russell	

NOT VOTING—25

Andrews	Davis	McKellar	Stewart
Ashurst	Gillette	McNary	Townsend
Bailey	Glass	Miller	Truman
Bankhead	Holman	Murray	Tydings
Brown	Holt	Pepper	
Byrnes	Logan	Reed	
Caraway	McCarran	Smathers	

So Mr. LEE's amendment was rejected.

AMENDMENT OF BANKRUPTCY LAW RELATIVE TO CARRIERS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary

thereto, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WHEELER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WHEELER, Mr. BONE, Mr. TRUMAN, Mr. AUSTIN, and Mr. TOBEY conferees on the part of the Senate.

AMENDMENT OF SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 6635) to amend the Social Security Act, and for other purposes.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 59, between lines 5 and 6, it is proposed to insert the following new subsection:

(c) Section 521 (a) of such act is amended by striking out \$1,500,000 and inserting in lieu thereof \$1,510,000.

Mr. LA FOLLETTE. Mr. President, a brief explanation.

When the Finance Committee adopted the amendments increasing the authorizations for work for the promotion of maternal and child health, through an inadvertence the fact was overlooked that in the House bill Puerto Rico had been designated as a State. The only effect of this amendment is to provide \$10,000 for Puerto Rico in conformity with the action of the House in describing Puerto Rico as a State under the provisions of these titles of the Social Security Act.

In view of the action taken by the Senate on yesterday, I feel sure that there will be no objection to the amendment.

Mr. HARRISON. Mr. President, it was thought that this provision was carried in the bill; but, as stated by the Senator from Wisconsin, it was inadvertently omitted. I can see no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

Sec. 908. All functions of the Social Security Board shall be administered by the Social Security Board under the direction and supervision of the Federal Security Administrator.

Mr. LA FOLLETTE. Mr. President, a brief word of explanation in regard to this amendment.

When the reorganization order was drawn the language affecting the Social Security Board—through, I am certain, an inadvertence or an oversight—was different than that relating to the other agencies which were consolidated under the order. This is a clarifying amendment in connection with the amendments to the Social Security Act, and will make the phraseology of the order in that respect conform to governing all the other agencies which were thus consolidated into the agency created by the reorganization order.

Mr. HARRISON. Mr. President, I hope the amendment will be agreed to. It removes some ambiguities which are in the law that we passed regarding reorganization and places the Social Security Board on the same basis as the Public Health Service and others that were reorganized.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. BILBO. Mr. President, I send to the desk Senate bill 750, the text of which I offer as an amendment to the pending measure.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

That, effective January 1, 1940, clause (7) of section 2 (a) of the Social Security Act is amended to read as follows:

"(7) provide that, if the State or any of its political subdivisions collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under the plan, the net amount so collected shall be prorated between the United States and the State in the proportion that the amount the United States contributed to such old-age assistance during the year next preceding the year such net amount was collected bears to the amount the State contributed during such year and the amount due the United States shall be promptly paid to the United States. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of this title."

SEC. 2. Effective January 1, 1940, section 3 (a) of such act is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing January 1, 1940, (1) an amount, which shall be used exclusively as old-age assistance, of \$30 per month, with respect to each aged needy individual who, at the time of such expenditure, is 65 years of age or older, and is not an inmate of a public institution, and (2), 5 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose: *Provided*, That no amount for old-age assistance shall be paid by the Secretary of the Treasury to any State which shall contribute for old-age assistance during any quarter an amount smaller than the amount contributed by the State during the quarter beginning January 1, 1939. Any individual entitled to Federal old-age benefits under title II of this act may elect to receive in lieu thereof old-age assistance under the State plan for old-age assistance as provided in title I of this act."

Mr. BILBO. Mr. President, there are two divisions of this amendment.

The first division merely provides that all amounts recovered from the estates of deceased recipients of old-age assistance shall be divided in proportion to the amounts contributed by the State and by the Federal Government. The present law provides that the amounts so recovered shall be evenly divided between the State and the Federal Government.

The second division of the amendment merely provides for the substitution of a pension of \$30 per month to those who are eligible under the present set-up.

There is quite a difference between the amendment offered by the Senator from Oklahoma [Mr. LEE] and the one I am offering. He proposed to give \$40 per month to all old persons 60 years of age or over unless they were self-sustaining; and, as he himself admitted, over \$3,000,000,000 would be required to pay the pensions. My amendment is based upon the enrollments shown by the records of the Social Security Board. Under the amendment I have offered the cost to the Federal Government will be about \$400,000,000 more than the present appropriation, or about \$550,000,000 or \$600,000,000 altogether.

Mr. President, this is not a raid on the Treasury. This is an obligation which the United States Government owes to the old and needy people of the country 65 years of age or older. I disagree with some of the Senators who have expressed themselves on this legislation. Some insist that the obligation is a local one, a State obligation. Others insist that it is a dual obligation. Personally, I think old-age assistance is a Federal obligation which should be met by the Government doing business in the city of Washington.

Pensions to soldiers are paid by the Federal Government. This is a pension, not for soldiers of war but for soldiers of peace. They have fought the battles of the country in times of peace as well as those who fought its battles in time of war. As the Senator from Florida [Mr. ANDREWS] announced on yesterday, and again today, the Supreme Court of the United States by a practically unanimous decision has held that this is a Federal obligation which should be met by the United States Government.

You have heard a great deal about the Townsend plan, and the great demand on the part of many persons for the enactment of the Townsend plan. I want to warn you that if the Senate does not do something that is decent in pro-

viding pensions for the old people of the country who are in need, sooner or later you will get the Townsend plan whether you like it or not.

My goal for a pension is \$60 per month. My amendment provides that the Federal Government shall put up \$30 per month; and I safeguard the amount of money which the States are now contributing to old-age pensions by providing in the amendment that no State shall be permitted to desert the field that it has already undertaken, because my amendment requires that the States shall continue to appropriate as much as and never less than they are now appropriating for old-age pensions. In other words, if this amendment should be agreed to, the old people of the United States who are now eligible and on the rolls and certified as needy would receive \$30, plus what the States throughout the United States, are now appropriating.

For instance, in my State, where the payments are the lowest in the Union, the State appropriates a little over \$3 per capita. That is the average. If this amendment should be agreed to the old people in Mississippi would receive \$33 a month.

In the great State of California, where the old people are receiving \$32, the State government of California putting up today the difference between \$32 and \$15, or \$17, under my amendment the people of California would receive \$30 plus the \$17. So all that is necessary in order to find out what the people of a State would receive is to find out what the legislature is appropriating.

I do not think the amount I have suggested is excessive. I know there is a growing demand for an increase in the pensions to the old people of this country, and there are enough old people, with their friends and their relatives, and others who honestly believe in old-age pensions, to hold the balance of power in the coming election. If we, the party in power, are not willing to do what they want, they are going to try some other party which will, and when it comes to making promises, my colleagues know how wonderfully successful the Republican Party has been in the past. They will make more promises in the next convention of the Republican Party than the Democrats will make, and even if we should make better promises and more promises, we would not be believed, because we are on the job, we have the majority, we have the administration, we can pass a bill, and if we refuse to do so no one will believe our promises.

Mr. KING. Mr. President, will the Senator permit me to ask a question for information?

Mr. BILBO. Certainly.

Mr. KING. I desire to be sure that I properly interpret the amendment which the Senator has offered. As I read and interpret it, it means that if Mississippi, for instance, should put up \$3 per capita for all those receiving old-age pensions, then the Federal Government would have to put up \$30.

Mr. BILBO. Yes.

Mr. KING. And if Mississippi put up \$10, then the Federal Government would still put up \$30?

Mr. BILBO. Yes.

Mr. KING. And if California put up \$35, the Federal Government would have to put up \$30?

Mr. BILBO. Yes.

Mr. KING. That is the proper interpretation?

Mr. BILBO. That is the proper interpretation. That is what I intended by the amendment.

Mr. KING. I may say that I am very much opposed to it.

Mr. BILBO. So far as the generosity and liberality of the State is concerned, the sky is the limit. But each and every aged person who has been certified as eligible for old-age assistance, no matter in which State he may live, would receive \$30 from the Federal Government in Washington.

Mr. President, I have not much patience with some who are economical, especially when it comes to appropriations for the welfare of the suffering citizens of this country. I was rather astounded, indeed, I was rather amused, by the most wonderful speech made this morning by the distinguished junior Senator from Virginia in the interest of balancing the Budget—whatever that means—and of economy.

The thing which surprised me about the speech was that he was so late in making such a good speech, because during this session of Congress we have appropriated nearly \$10,000,000,000, and when the time comes to take up the cause of the old men and women of this country who are suffering because of want, and poverty, and need, the distinguished Senator proposes to "take it out" on the old folks, when we have been voting day after day, not millions, not hundreds of millions, but billions for the Army and the Navy and every other purpose on earth. If we are to economize anywhere, God forbid that we should economize at the expense of the old people, who cannot help themselves, and who need and deserve the discharge of this just obligation from their Government.

A remark was made on the floor this morning to the effect that this obligation should be met by the States and could be better met by the States, and should not be a Federal obligation, because the States are able to take care of the obligation. If we examine the statistics, we find that the per capita income in 30 of the 48 States is below the national income per capita. Four hundred and thirty-two dollars is the per capita income from the national standpoint, the income over the whole Nation, yet there are 30 States whose per capita income is lower than \$432.

I do not like to admit it but my State stands at the bottom, with a per capita income of only \$170. Yet the State of Mississippi, with a per capita income of \$170, against \$900 in some other States, is expected to be able to appropriate \$15 a month in order that we may get our share of the money being offered by the Federal Government for the benefit of the old people of the country.

I confess, frankly, that my State is not able to make the contribution. Yet the old people of my State are as much entitled to this Federal bounty or Federal appropriation as an old man or an old woman in Massachusetts or California is entitled to it. We pay taxes. It is not our fault that we are poor. It is not our fault that our per capita income is so low. For the last 50 years we have been the victims of policies of government, and of rules and regulations and laws which are responsible for the condition of my people.

It is not that this country is poor. This is the richest country on earth. We have more resources; we have more wealth and more power than any other nation on earth. Yet it is said that we cannot pay a pitiful \$30 a month to the needy old people of this Republic.

We are not consistent. Consider the 300,000 enrollees of the C. C. C. I wish to say that I think that agency of the Government is doing some of the best work being performed by the New Deal for the youth of this country, but Senators are willing to vote \$73 a month for the 300,000 boys in the C. C. C. Consider the relief rolls. Senators are willing to vote \$61 a month to every man and woman in the country on the relief rolls. Yet they hesitate to vote \$30 a month for the old people of this country.

Why not be fair? Do not my colleagues know that the old men and women have given their lives for the welfare of this country, that they have lost their earning capacity, that they are no longer wanted anywhere, so far as jobs are concerned, and have only a few more years to spend on earth? Is it not much better to give them at least \$30 than to spend \$73 on the young of the country? There is more humanity in it. I would not discount the splendid work the C. C. C. is doing. I should like to see that organization made permanent. The only regret I have about it is that we have not encouraged military training. I think we are losing a splendid opportunity to give these boys proper training and discipline by enforcing military regulations.

I repeat, Mr. President, this is not a billion-dollar proposition I am offering. I am merely suggesting an increase of about \$400,000,000. I am asked, "Where are you going to get the money?" We can get it from the same source where we are to get the \$10,000,000,000 we have already appropriated.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BILBO. I am glad to yield.

Mr. LEE. I understood some of the Senators who voted against the amendment which I offered a while ago and which was defeated, to console themselves by saying, "Well, Josh, I would have voted for your amendment if you had had a tax provision included in it for raising the money." According to that philosophy, if they follow the same reasoning, they will have to vote against the pending bill, because there is not included in it a tax provision for raising the money that is being paid under the present plan, or that will be paid under the amended bill. I imagine the proposal of the Senator from Mississippi would fall in the same category. Some will ask, "Where are you going to get the money?" My answer would be, "At the same place from which the money which is being used to pay under the present plan is coming."

I intend to support the Senator's amendment. I think it is a good one, and I believe that if we should adopt the amendment, as would have been true if we had adopted the other one, the Finance Committee would report a tax bill, as they are going to have to do anyway, to meet the deficit.

Mr. KING. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I am glad to yield.

Mr. KING. As a member of the Committee on Finance, I can assure the Senator from Oklahoma, although I cannot speak for all of the members of the committee, but I can speak for a majority of them, I believe that the Finance Committee would report a bill to raise \$5,000,000,000, in addition to the \$6,200,000,000 of taxes we have already imposed on the people. If we continue these outrageous expenditures, these profligate expenditures, obviously we will soon have inflation, and our economic system will be destroyed.

Mr. BILBO. I am sure the Senator is speaking his honest conviction. I am indebted to the Senator from Oklahoma for his observation on the pending amendment.

I wish to urge my colleagues to give serious consideration to this proposal. No one wants to spend the money of the taxpayers ruthlessly and criminally, but I dare say that the taxpayers of the United States would justify and would honor Senators for voting to provide \$30 per month for the old people of the United States.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. BILBO. I yield.

Mr. LUNDEEN. How much would the Senator's amendment cost approximately?

Mr. BILBO. My estimate is that the amendment would cost between \$350,000,000 and \$400,000,000, in addition to what the present set-up on old-age assistance will cost.

Mr. LUNDEEN. If the Senator will further permit, I should like to say that that will not be any more money than it will cost to build the two 45,000-ton battleships which we read about in the newspapers this morning, which, I take it, are in addition to two other 45,000-ton battleships previously ordered to be constructed, and in addition to the 1940 Navy appropriation, the greatest peacetime Navy appropriation we have ever had in the history of the United States, and in addition to the \$1,000,000,000 we voted last year, which was in addition to the regular appropriation of last year. Each battleship costs between \$90,000,000 and \$100,000,000. Then there must be spent another \$90,000,000 or \$100,000,000 to build submarines, destroyers, and aircraft to prevent this dinosaur of the deep, this dreadnaught of the sea, from being sunk. For every dollar spent for the construction of the giant battleships an equal amount must be spent to provide protecting ships. So, if upward of \$100,000,000 is spent for a battleship, we must count on a total of \$200,000,000 for that ship and its protecting ships. Besides all that, hundreds of millions will be expended for their imperial upkeep, and so on, all because our internationalists itch to meddle in Europe—

are afflicted by a world-saving mania and other illusions and delusions. I understand the able Senator's proposal will cost less than that.

Mr. BILBO. Yes.

Mr. LUNDEEN. I think we have gone a little far in building armaments and in interfering in the quarrels of other continents, and we had better pay more attention to our folks at home—our fine, patriotic, old folks at home—those who have helped build America.

Mr. BILBO. Mr. President, I am indebted to the Senator from Minnesota for his contribution.

Mr. BYRD. Mr. President, is not the Senator in error concerning the cost under his proposal? As I understand, he proposes to give \$30 a month, which is \$360 a year.

Mr. BILBO. Yes.

Mr. BYRD. He proposes to give that amount to approximately 2,000,000 of those receiving old-age assistance?

Mr. BILBO. About 1,800,000.

Mr. BYRD. The list has the figure of 1,900,000. If that be multiplied by \$360, the result is a cost of over \$700,000,000.

Mr. BILBO. No; after subtracting the amount which the present set-up now will cost from the total under the proposal of \$30 per month, I think the Senator will find it is between \$350,000,000 and \$400,000,000 in addition to the cost of the present set-up.

Mr. BYRD. Is it not the plan of the Senator to pay \$30 a month, and add to it whatever the States may pay?

Mr. BILBO. Yes.

Mr. BYRD. Then it will cost \$360 a year to the Federal Government for each person on relief.

Mr. BILBO. Yes, \$360.

Mr. BYRD. It will make about \$700,000,000, if the number of those receiving old-age assistance is multiplied by \$360.

Mr. BILBO. It would be between \$650,000,000 and \$675,000,000. I have no reference to the amounts the States are contributing. I am talking now about what Congress will have to appropriate. I wish to say there is not one State in the Union that will not profit by this, and it will be interesting, if Senators will take the list showing the amount that each State contributes, to see what they will be able to receive.

I have a suspicion that when Senators get back home and the people look at the monthly check they are receiving, when those in Georgia receive \$8.14, whereas they had an opportunity of receiving \$34.14 by voting for this simple amendment, Senators will have some explaining to do.

In South Carolina the payment is \$3.90, and that is matched by the Federal Government. In other words, South Carolina is getting only \$3.90 per capita for her old people who are listed on the rolls. Under my amendment they would get \$30 per capita plus the \$3.90 they are now receiving, which would give the old people of South Carolina \$33.90 a month.

In North Carolina—I think that is a State in the Union—

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BILBO. I shall be delighted to yield.

Mr. REYNOLDS. I wish to say to the Senator that North Carolina is the finest State in the Union.

Mr. BILBO. And well represented.

Mr. REYNOLDS. Excellently represented.

Mr. HUGHES. I should like to say that the State of Delaware is the first State in the Union.

Mr. BILBO. The State of North Carolina today pays her old people an average of \$9.57. It is receiving from the Government \$4.78. The old people of California are getting \$15 out of the Treasury of the United States. The old people of Massachusetts are receiving from \$14 to \$15.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. SCHWELLENBACH. I take it that a few minutes ago the Senator from Mississippi agreed with the Senator from North Carolina that North Carolina was at least one of the finest States in the Union. I should like to have the Senator from Mississippi explain why it is that one of the finest

States in the Union—and I have been very much enamored of the eloquence of the Senator from North Carolina, particularly when speaking about Asheville, "the little gem city of the mountains"—I should like to have the Senator explain why it is that that great State which produces such a large percentage of the tobacco of the country and is so wealthy, pays only a very small amount to its aged people. I think that perhaps one of the great national organizations we have heard about recently, which is interested in a great many other things, might interest itself in taking care of that problem in North Carolina.

Mr. BILBO. I shall be glad to yield to the Senator from North Carolina in order that he may answer this very embarrassing question.

Mr. REYNOLDS. Mr. President, I wish to say to the Senator that it is not embarrassing to me at all. As a matter of fact, I am very rarely embarrassed. [Laughter.]

I am very unhappy that North Carolina has not provided more generously for its citizens from a standpoint, particularly, of providing for its elderly and its aged. I am very happy indeed to be able to report that we no longer have poorhouses or county homes in North Carolina. We have in the past endeavored as best we could to provide for our aged, because we of North Carolina recognize, with the able Senator from the great Commonwealth of Mississippi, that the aged now were the youthful in years gone by, and that the aged now are the ones who have made North Carolina a great and a prosperous and a grateful State.

Mr. President, I am going to vote for the amendment which has been offered by the Senator from Mississippi, because he tells us that it will cost the taxpayers of the United States of America only approximately \$300,000,000 or \$400,000,000. As a matter of fact, the way we are digging into the pockets of the taxpayers of America and are continuing to dig into the pockets of the taxpayers of America, that is merely a drop in the bucket. We have appeased every one upon the face of the earth with the exception of the elderly people of America.

A few months ago, as the result of propaganda which swept this country from the Atlantic to the Pacific and from Canada to Mexico, there was a great hue and cry that we should provide for ourselves an adequate national defense. The Senator from Mississippi knows, as well as the Senator from North Carolina knows, that there is just about as much likelihood of any country in the world attacking the United States of America as there was likelihood of Al Smith bringing the Pope and putting him in the White House in 1928, as suggested by our friendly enemies.

We have appeased the people of this country who are afraid of being attacked by the enemies from abroad by appropriating billions upon billions of their hard-earned dollars. That was one appeasement.

Mr. President, I say that the time has arrived when we must do a little appeasing for the elderly of our country. The very able Senator from Minnesota [Mr. LUNDEEN] a moment ago made mention of the fact that 45,000-ton battleships cost today under present conditions \$90,000,000 each. I read a statement in one of the local newspapers only a few days ago to the effect that under present conditions those ships in contemplation would cost no less than \$100,000,000 apiece, and I think there are some three or four or five on order. For the amount of money spent on those ships we could take care of the old people of the United States, as was suggested by the Senator from Mississippi.

As I mentioned a moment ago in private conversation with the Senator from Minnesota, we must not only consider the initial cost of the ships but we must consider also the upkeep and the maintenance of those ships.

As a matter of fact, we never recover the initial cost. We never collect any of it. If we can remain so big-hearted as to permit countries abroad to fail to pay their debts to the United States of America, as I suggested on the floor of the Senate a moment ago; if we can afford to give to the European countries \$13,000,000,000, after having already given them \$13,000,000,000 when we cut the war debts immediately following the Great War, certainly we can afford to give a

few million dollars to the aged who actually constructed this country and made it the greatest and most powerful nation on the face of the earth.

A moment ago the Senator mentioned the young men in the C. C. C. camps of the country. It is my recollection that today we have in the C. C. C. camps more than 300,000 young, able-bodied men.

Mr. BILBO. Costing \$73 a month each.

Mr. REYNOLDS. Costing \$73 a month each. I inquire of the able Senator what the annual total is. It is 300,000 times 73 times 12. As a matter of fact, it costs almost as much to house, clothe, and feed those young men annually as it would cost to take care of the old people under the Senator's amendment. Is not that true?

Mr. BILBO. That is correct.

Mr. REYNOLDS. I am very happy that we are able to care for the young men of the country, particularly in view of the fact that \$25 out of every \$30 derived by the 300,000 young men monthly is in turn delivered to their dependents and aged parents. If we can take care of those young men, surely we can take care of the others. I do not know where the money is coming from. But do we know where the money is coming from for any of the terrific appropriations we have made in the present session of the Congress? I say that if we can vote billions upon billions of dollars for sundry items, we can certainly afford to open up our hearts and take care of the old people of the country. In order to do that, and with that in view, so far as the junior Senator from North Carolina is concerned, I shall support the amendment of the Senator from Mississippi.

Mr. BILBO. Mr. President, I am indebted to the Senator from North Carolina for developing that idea. We are appropriating more than \$200,000,000 to take care of only 300,000 of the boys in the C. C. C. For twice that amount we should be able to bring happiness, peace, comfort and joy to 1,800,000 old people in the country.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. REYNOLDS. In view of the fact that the Senator again made mention of the C. C. C. camps, I should like to state that although we are spending more than \$200,000,000 annually to take care of those worthy young men, and although we have appropriated billions and billions to provide a national defense to appease the people of the country, we have not enforced military training in C. C. C. camps, which I think we should have done.

Mr. BILBO. Mr. President, I am ready to proceed further. I should like to ask permission to continue my address tomorrow at the beginning of the session.

I now yield to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. The Senator realizes that we are anxious to conclude consideration of the pending measure. Other legislation is waiting on it. We do not wish to delay it any longer than necessary. We had hoped to conclude consideration of the bill today.

Mr. BILBO. I understand it will be impossible to conclude it on account of the address of the Senator from California [Mr. DOWNEY] which will consume possibly 2 or 3 hours.

Mr. BARKLEY. Whatever is agreeable to the senior Senator from Mississippi [Mr. HARRISON] is agreeable to me.

Mr. HARRISON. Mr. President, I wonder if it will be agreeable to vote on the pending amendment not later than 1 o'clock tomorrow.

Mr. BARKLEY. It is agreeable to me. Is it agreeable to the junior Senator from Mississippi?

Mr. BILBO. That is agreeable, provided I may begin speaking at 12 o'clock.

Mr. HARRISON. I understand my colleague has the floor. I have no objection to his having the floor tomorrow to continue his remarks.

The PRESIDING OFFICER. Is there objection to the request of the junior Senator from Mississippi [Mr. BILBO] that he be recognized tomorrow to resume his remarks? The Chair hears none, and the request is granted.

Mr. HARRISON. Mr. President, I ask unanimous consent that tomorrow, not later than 5 minutes past 1, the Senate

vote on the amendment offered by my colleague [Mr. BILBO], and that 5 minutes be given to some member of the committee to speak in opposition to the amendment, if desired.

The PRESIDING OFFICER. Is there objection to the request of the senior Senator from Mississippi?

Mr. DOWNEY. Mr. President, the agreement extends merely to voting on the pending amendment, does it not?

Mr. HARRISON. Only on the pending amendment.

Mr. DOWNEY. And not on the measure itself?

Mr. HARRISON. No; merely on the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the senior Senator from Mississippi? The Chair hears none, and it is so ordered.

PROMOTION OF OFFICERS IN THE NAVY

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on the part of the Senate.

INTERSTATE OIL COMPACT TO CONSERVE OIL AND GAS

Mr. THOMAS of Oklahoma. Mr. President, I wish to take up an emergency matter by unanimous consent.

I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 155, consenting to an interstate oil compact to conserve oil and gas. The joint resolution provides for the continuation of the present oil compact. The present oil compact is an agreement among six or seven States which produce oil. The compact will expire on the 1st day of September, unless extended. The joint resolution simply proposes to extend the compact for another period of 2 years.

Mr. AUSTIN. Mr. President, will the Senator yield for an inquiry?

Mr. THOMAS of Oklahoma. I yield.

Mr. AUSTIN. Is there anything in the compact which conflicts with the Federal policy respecting commerce in oil?

Mr. THOMAS of Oklahoma. Mr. President, the Federal policy has never been expressed in law. The compact is a treaty among the oil-producing States. There has been no Federal legislation affecting oil interests. The joint resolution merely grants the permission of Congress for the oil States to get together to handle their own affairs in their own best interests.

Mr. AUSTIN. Mr. President, in general I have reason to be very sympathetic with any section of the United States where States endeavor to solve their sectional problems by compacts. I would not interfere with that effort on the part of the Senator from Oklahoma [Mr. THOMAS] in behalf of his State and the surrounding States.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 155) consenting to an interstate oil compact to conserve oil and gas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the consent of Congress is hereby given to an extension and renewal for a period of 2 years from September 1, 1939, of the interstate compact to conserve oil and gas, executed in the city of Dallas, Tex., the 16th day of February 1935, by the representatives of the States of Oklahoma, Texas, California, and New Mexico, and thereafter recommended for ratification by the representatives of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and subsequently ratified by the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, which said compact was deposited in the Department of State of the United States, and thereafter such compact was, by the President, presented to the Congress and the Congress gave consent to such compact by House Joint Resolution 407, approved August 27, 1935 (Public Res. No. 64, 74th Cong.), and which said compact was thereafter extended and renewed for a period of 2 years from September 1, 1937, by an agreement executed in New Orleans, La., the 10th

day of May 1937, by the representatives of the States of Oklahoma, Texas, Kansas, and New Mexico, and was duly ratified by the States of Oklahoma, Texas, Kansas, New Mexico, Illinois, and Colorado, and was deposited in the Department of State of the United States, and thereafter such extended and renewed compact was, by the President, presented to the Congress, and the Congress gave consent to such extended and renewed compact by Senate Joint Resolution 183, approved August 10, 1937 (Public Res. No. 57, 75th Cong.). The extended and renewed compact, dated the 5th day of April 1939, duly executed by the representatives of the States of Oklahoma, Texas, Kansas, New Mexico, Colorado, and Michigan, and duly authorized and ratified by the said States of Oklahoma, Texas, Kansas, New Mexico, Colorado, and Michigan, and which extended and renewed compact has been deposited in the Department of State of the United States, reads as follows:

"ARTICLE I

"This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"ARTICLE II

"The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"ARTICLE III

"Each State bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of—

"(a) The operation of any oil well with an inefficient gas-oil ratio.

"(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

"(c) The avoidable escape into the open air or the wasteful burning of gas from a natural-gas well.

"(d) The creation of unnecessary fire hazards.

"(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"(f) The inefficient, excessive, or improper use of the reservoir energy in producing any well.

"The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

"ARTICLE IV

"Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted, then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order, or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"ARTICLE V

"It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"ARTICLE VI

"Each State joining herein shall appoint one representative to a Commission hereby constituted and designated as the Interstate Oil Compact Commission, the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

"The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting States, represented at any meeting and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

"ARTICLE VII

"No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"ARTICLE VIII

"This compact shall expire September 1, 1937. But any State joining herein may, upon sixty (60) days' notice, withdraw herefrom.

"The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory States.

"This compact shall become effective when ratified and approved as provided in article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

"Done in the city of Dallas, Tex., this 16th day of February 1935. "Whereas said interstate compact was heretofore duly renewed and extended for 2 years from September 1, 1937, its original expiration date, to September 1, 1939; and

"Whereas it is desired to again extend and renew said interstate compact to conserve oil and gas for another period of 2 years from September 1, 1939, its present expiration date, to September 1, 1941: Now, therefore, this writing witnesseth:

"It is hereby agreed that the said compact entitled 'An interstate compact to conserve oil and gas,' executed in the city of Dallas, Tex., on the 16th day of February 1935, and now on deposit with the Department of State of the United States, a correct copy of which appears above, be, and the same hereby is, extended for a period of 2 years from September 1, 1939, its present date of expiration, this agreement to become effective within those States joining herein when executed by any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico, and consent thereto is given by Congress.

"The signatory States executed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States and a duly certified copy thereof shall be forwarded to the Governor of each of the signatory States.

"Executed as of this the 5th day of April 1939 by the several undersigned States, at their several capitols, through their proper officials thereunto duly authorized by statutes, resolutions, or proclamations of the several States."

SEC. 2. The right to alter, amend, or repeal the provisions of section 1 is hereby expressly reserved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6577) to provide revenue for the District of Columbia, and for other purposes; that the House further insisted upon its disagreement to the amendment of the Senate to the bill; asked a still further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NICHOLS, Mr. RANDOLPH, Mr. KENNEDY of Maryland, Mr. DIRKSEN, and Mr. BATES of Massachusetts were appointed managers on the part of the House at the further conference.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HATCH (for Mr. ASHURST), from the Committee on the Judiciary, reported favorably the nomination of Benjamin J. McKinney, of Arizona, to be United States marshal for the district of Arizona.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Marine Corps.

He also, from the same committee, reported favorably the nominations of sundry noncommissioned officers to be second lieutenants in the Marine Corps.

He also, from the same committee, reported favorably the nominations of sundry citizens to be second lieutenants in the Marine Corps.

Mr. HARRISON, from the Committee on Foreign Relations, reported favorably, without reservation, the following treaties and conventions, and submitted reports thereon:

Executive D, Seventy-sixth Congress, first session, a consular convention between the United States of America and Liberia, signed at Monrovia on October 7, 1938 (Exec. Rept. No. 10);

Executive E, Seventy-sixth Congress, first session, a treaty of friendship, commerce, and navigation between the United States of America and Liberia, signed at Monrovia on August 8, 1938 (Exec. Rept. No. 11);

Executive F, Seventy-sixth Congress, first session, an extradition treaty between the United States of America and Liberia, signed at Monrovia, on November 1, 1937 (Exec. Rept. No. 12);

Executive G, Seventy-sixth Congress, first session, a treaty of commerce and navigation between the United States of America and the King of Iraq, signed at Baghdad, on December 3, 1938 (Exec. Rept. No. 13);

Executive H, Seventy-sixth Congress, first session, a convention between the United States of America and the Republic of Finland, signed at Helsinki on January 27, 1939, regulating the military obligations of persons possessing the nationality of both the high contracting parties (Exec. Rept. No. 14);

Executive I, Seventy-sixth Congress, first session, an extradition treaty between the United States of America and Monaco, signed at Monaco on February 15, 1939 (Exec. Rept. No. 15); and

Executive M, Seventy-sixth Congress, first session, a convention on interchange of publications signed at the Inter-American Conference for the Maintenance of Peace at Buenos Aires on December 23, 1936, by the plenipotentiaries of the United States of America and the respective plenipotentiaries of the other American republics (Exec. Rept. No. 16).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, earlier in the day reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Aubrey W. Williams, of Wisconsin, to be National Youth Administrator (reappointment).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

FEDERAL SECURITY ADMINISTRATOR—PAUL V. McNUTT

The legislative clerk read the nomination of Paul V. McNutt to be Federal Security Administrator.

Mr. BRIDGES. Mr. President, before the nomination of Mr. McNutt is acted upon I desire to occupy a few moments of the time of the Senate to make some appropriate remarks about Mr. McNutt.

I send to the desk a resolution and ask that it be read.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 161) was read, as follows:

Whereas Paul V. McNutt, if confirmed by the Senate to the office of Federal Security Administrator, to which office he has been nominated by the President, will have authority and executive control over the following agencies, to wit: The Civilian Conservation Corps, the Office of Education, the Public Health Service, the National Youth Administration, and the Social Security Board; and

Whereas Paul V. McNutt, as Governor of the State of Indiana was alleged to have been instrumental in forming the so-called Two Percent Club made up of State employees and officeholders of that State, whereby the said employees and officeholders were required to contribute 2 percent of their salaries for political purposes: Therefore be it

Resolved, That it is the sense of the Senate that Paul V. McNutt shall not be permitted, while serving as Federal Security Administrator, to establish a so-called Two Percent Club of employees of the above-named agencies for the purpose of assessing their salaries for political purposes.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the resolution be considered and acted upon at this time.

Mr. BARKLEY. Mr. President, I move that the resolution be laid on the table.

The motion was agreed to.

Mr. BRIDGES. Mr. President, inasmuch as the resolution has been laid on the table, and the Democratic Members of the Senate have therefore gone on record as favoring the Two Percent Club of Indiana as established by Mr. McNutt, then Governor of Indiana, I think it is very appropriate, before he is put in charge of one of the most important agencies of the Government, that the people of the country have some knowledge of the Two Percent Club of Indiana, what it is, what it stands for, and Mr. McNutt's connection with it.

I have known Mr. McNutt for a number of years. He served as Governor of Indiana during the time I had the privilege of serving as Governor of New Hampshire. I think he is a nice fellow. I have nothing personally against him. He is a handsome man. He has many fine qualities. But the Two Percent Club that is so closely associated with Mr. McNutt and Mr. McNutt's history and political life smells. It not only smells but its odor could be described by even a stronger term.

What is the Two Percent Club?

Shortly after Mr. McNutt took office as Governor of Indiana, he put into effect a 2-percent regulation, assessing the wages and the salaries of all the officials of the State of Indiana for political purposes; and during the years he served as Governor of Indiana that assessment was in force. The protests became so severe, and the criticism so widespread, that in 1937 the McNutt machine in Indiana, then headed by Governor Townsend of that State, legalized it. The McNutt machine put through an act of the legislature legalizing a 2-percent assessment on all State employees for the benefit of the Democratic Party—one of the most brazen political acts ever put across in this Nation. The act exempted this 2-percent fund from the application of the Corrupt Practice Act of the State.

This 2-percent assessment was applied regardless of the ability to pay of the employee or official. According to various estimates, this assessment raised somewhere around \$300,000 a year. The treasurer of the Two Percent Club in Indiana was a man by the name of Bowman Elder.

In this new job Mr. McNutt will have charge of the Social Security Commission. He will have charge of the National Youth Administration. He will have charge of the Office of Education, the Civilian Conservation Corps, and various other units, many of them agencies dealing with the unfortunates of the country and the youth of the country.

My reason for offering the resolution at this time was to call attention to this situation. Let us go back to 1932. In 1932 Mr. McNutt belonged to the "Stop Roosevelt" movement. He was working against the nomination of Mr. Roosevelt at Chicago. Finally Mr. Farley, by his very astute methods, secured some support for Mr. Roosevelt in Indiana; but I am given to understand that there has always been a sort of distant feeling between Mr. Roosevelt and Mr. McNutt, and particularly has there been a strong feeling between Mr. Farley and Mr. McNutt. Now, Mr. McNutt comes home in all his grandeur and is appointed to a new post, one of the best jobs in the Government.

There is a great question in my mind and in the minds of the people of the country, whether Mr. McNutt has been taken in by the New Deal and President Roosevelt, or whether he has swallowed the New Deal. I do not know which is the case. There is some question of the New Deal's interest in McNutt's political future, because Mr. McNutt no doubt is going forward with his campaign for the Presidency, at the same time being entrusted with the care of the youthful citizens of our country and many of the unfortunate citizens of our country in the various agencies. He will have a twofold job to make himself the nominee of his party for President and to administer this new agency.

I have before me an article written by some Washington columnists to which I wish to refer.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. SCHWELLENBACH. I inquire whether or not this speech by the Senator from New Hampshire is an indication that he is opposed to Mr. McNutt for President; or, let me limit the question to the Democratic nomination for President.

Mr. BRIDGES. I do not think the Senator needs to make that inquiry, because my answer would be in the affirmative; but not only am I opposed to Mr. McNutt for President but I am opposed to him for the particular post to which the gentleman in the White House has just appointed him.

Mr. SCHWELLENBACH. I should like to say to the Senator from New Hampshire that I know of no better recommendation that Mr. McNutt or anybody else could get, so far as the Democratic Party is concerned, than to have the vigorous opposition of the Senator from New Hampshire. [Laughter.]

Mr. BRIDGES. I take that as a great compliment. I thank the Senator for it.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. HARRISON. Why did the Senator vote for the confirmation of Mr. McNutt as High Commissioner of the Philippines?

Mr. BRIDGES. I cannot recall the circumstances when that matter first came up. I do not think there was a record vote, and I do not think my voice was raised very loudly in the affirmative at that time. That is a reasonable question, however.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. LUCAS. Was the 2-percent club in existence at that time?

Mr. BRIDGES. I understand that it was going in full force at that time.

Mr. LUCAS. At the time Mr. McNutt was confirmed as High Commissioner to the Philippines?

Mr. BRIDGES. Yes. I should like to point out to the Senator from Illinois that in serving as High Commissioner to the Philippines Mr. McNutt, of course, would not have the same opportunity of putting political assessments into force that he will in dealing with some 40,000,000 American citizens who will be under his supervision as head of the Federal Security Administration, many of them the poor people of the country, many of them the unfortunate, many of them the youth of the Nation, many of them persons who can ill afford to make such a contribution.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. BARKLEY. Is this speech a sort of preliminary canter looking forward to the Senator's own nomination on the Republican ticket as candidate for President?

Mr. BRIDGES. No; this speech deals exclusively with Democratic politics. I rather expected that I might get some help from the distinguished leader from Kentucky, because I understand that sometimes the sun from the White House shines on his fair head as to his own candidacy for the Presidency, and I did not know but that he might join in a wholehearted drive here to stop the McNutt nomination. [Laughter.]

Mr. BARKLEY. Mr. President, in reply I will say to the Senator from New Hampshire that I am not a candidate; but if I could be assured that the Senator from New Hampshire would be nominated by the Republican Party, I should be tempted to run. [Laughter.]

Mr. BRIDGES. I cannot think of a greater delight than for the Senator from New Hampshire to take part in any contest in opposition to the Senator from Kentucky. I will say that I am going down to Kentucky next Saturday to talk to the young Republican State convention there.

Mr. BARKLEY. I hope both of those present will enjoy the speech. [Laughter.]

Mr. BRIDGES. I do not doubt that those present will enjoy the speech; and I do not doubt that a great many per-

sons in Kentucky may enjoy a few remarks I intend to make relative to some of the things which occurred in the last campaign, and some of the methods used by the supporters of the Senator from Kentucky to obtain for him the nomination for United States Senator against the Governor of the State, Mr. Chandler. At that time I propose to tell a few of the things that have come to my attention about the methods used in W. P. A. circles, which the Senator from Kentucky may have known very little about, but which nevertheless probably very effectively contributed to his nomination and his return to the United States Senate.

I read from this article in the Evening Star by Joseph Alsop and Robert Kintner:

The strong Hoosier flavor has faded from the Washington air; the Indiana job holders have returned to their desks in the Government departments, and the 3-day wonder of Paul V. McNutt is over. Now that comparative calm has been restored it's interesting to know who paid for the McNutt ruckus, what sort of man it's about, and how long it's likely to continue.

The people who paid for the grandiose launching of the McNutt candidacy for the Presidency of the United States are, presumably, the employees of the Indiana State government and the businessmen of Indiana. It seems unlikely that Senator SHERMAN MINTON had such an attack of hospitality that he gave a party for 4,000 people himself, and thus far no generous political angels are understood to be backing Mr. McNutt.

That leaves us the McNutt Two Percent Clubs, and the imitation of the recent Democratic campaign books lately prepared for publication by the McNutt master mind, Frank McHale.

The Two Percent Clubs, a feature of the McNutt machine's iron-clad Indiana dictatorship, which have been much talked of but little understood, are simple, if rather brutal, institutions. Pretty nearly anyone who wants to keep a job with the State of Indiana has got to belong to them. Their chief function is the collection of 2 percent of the salary of everyone with a government job.

The Two Percent Clubs have locals, chiefly consisting of a sharp-eyed treasurer, in all the large agencies of the State government. Every pay day the treasurers collect their 2 percent and turn it over to the treasury chest of the McNutt machine. Thus the funds of the taxpayers of Indiana were really the source most heavily drawn on for the cocktails, canapes, and sandwiches at the McNutt reception.

The Two Percent Clubs are understood to gather in something like \$150,000 a year, which is not bad, everything considered. It does not seem to have been enough, however; no doubt because parties for 4,000 people and Presidential candidacies, run like a three-ring circus, cost a great deal of money. Fortunately the new imitation of the Democratic campaign book is likely to make up any deficits.

His administration was notable for three things. The 2-percent clubs were established. The Governor exhibited a curious fondness for marching the National Guard about the State, declaring martial law at the drop of a picket sign in labor disputes. And a McNutt-conceived reorganization of the State government was put through, which brought the State of Indiana as tightly under McNutt's control as Louisiana ever was under Long's. These three things led Norman Thomas to describe the new Presidential candidate as the Hoosier Hitler.

Lest it seems strange that a statesman of such attainments as Paul V. McNutt should be treated with occasional coldness by the national administration, it ought to be pointed out that McNutt made the single important mistake of his career back in 1932.

Not only was he not for Franklin Delano Roosevelt before Chicago; he was positively rude about it. He earned the undying dislike of Postmaster General James A. Farley, and he did not endear himself to the President. Since then the President has occasionally been ready to relent, but Jim Farley has kept his memories of Chicago refreshingly green.

Then Mr. McNutt was sent to the Philippines as high commissioner.

It will be recalled that when he went to the Philippines the first thing we heard about him was news of a big rumpus about whether Mr. McNutt should be toasted first as the high commissioner to the Philippines, or whether the President of the Philippine Commonwealth should be first toasted. Mr. McNutt worked hard on this matter. He threw his great power as high commissioner behind his demands and he won. He is a very persevering gentleman.

My point in bringing up this matter about Mr. McNutt is easily explained. I like the gentleman personally; I have no objection of a personal nature to him, but I do think that a man who has been associated with the Two Percent Club in Indiana, one of the most brazen samples of political racketeering I know of in the entire Nation, should not go unchallenged when he is appointed to head one of the great

governmental agencies of this country, where he will have under his charge the young and the old and the unfortunate of the Nation.

Mr. President, I hope that, based upon his past record, the nomination of Mr. McNutt will not be confirmed by the Senate.

Mr. MINTON. Mr. President, I know of no one who knows less about Paul McNutt and Indiana politics than Joe Alsop, unless it be the Senator from New Hampshire. The Senator from New Hampshire has called attention, through the medium of a resolution which the Senate promptly laid on the table, to the fact that the Democratic organization in Indiana, when McNutt became Governor in 1933, established a so-called Two Percent Club.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. The Senator admits the Two Percent Club was established by Paul McNutt?

Mr. MINTON. No; I do not admit anything of the kind. If the Senator will be seated for a moment, I will try to give him the first bit of facts he apparently has had about this situation. Judging by his speech, he has never been in possession of any of the facts, and if the Senator will indulge me just a few minutes, I will give him some information.

It is true the Two Percent Club was established by the Democratic organization—the Democratic employees, if you please—not by McNutt. The Senator from New Hampshire says that McNutt issued the order establishing the Two Percent Club. No such thing happened. The Democratic employees of the State administration organized their own Two Percent Club and placed upon themselves a voluntary obligation to contribute 2 percent of their earnings, if they received over a hundred dollars a month, to the Two Percent Club to help defray the expenses of the Democratic organization of the State of Indiana.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. Not only did they establish this voluntarily, I suppose, but when they failed to make their voluntary contributions they voluntarily fired themselves; did they? [Laughter.]

Mr. MINTON. No one was ever fired; and that is another statement by the Senator from New Hampshire which cannot be borne out by the facts. The fact of the matter is that these people put this obligation upon themselves voluntarily, and it worked so well—they were so proud of it—they were glad to pay the 2 percent; and no one was fired in the State of Indiana, and no one ever has been fired because he did not pay the Two Percent Club 2 percent of his salary. The Senator cannot cite a case of anyone in the State of Indiana, since the McNutt administration went into authority, who was fired because he did not pay the 2 percent to the Two Percent Club.

I was a member of that State administration before I came to the Senate, and I paid my 2 percent every month. I paid it voluntarily, and I paid it gladly, and everyone else who paid did likewise. But everyone in the State house did not pay it. I know the judges never would pay. They never thought they should pay, and nobody ever asked them to pay. I know that certain others in the State house never did pay.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. It would be impossible for the Governor to fire a judge, would it not?

Mr. MINTON. Pardon me.

Mr. BRIDGES. The Senator said the judges never did pay, and I inquired whether or not it was possible for the Governor to fire a judge.

Mr. MINTON. No, he could not fire a judge, but he could have a great deal to do with whether the judge would be renominated if he wanted to, because that would all come before the State convention, and the State organization, as the Senator knows, is quite powerful in State conventions.

But as I said, no one ever lost his job in Indiana because he did not contribute to the 2-percent fund. So that is just another erroneous statement made by the Senator from New Hampshire.

So far as the legalizing act went, it simply provided that the Two Percent Clubs are exempted from the Corrupt Practices Act for an accounting of their funds. Why? Because the Two Percent Clubs can, under the act, contribute its money only to a political party or a political campaign committee, and either that party or its campaign committee must account under the Corrupt Practices Act for every nickel it gets. So there was no sense in the Two Percent Club making an accounting and then the campaign committee also making an accounting of the same money.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. If 2-percent contributions are working so satisfactorily in Indiana, did they ever consider making it 4 percent, or 5 percent, or any higher percent?

Mr. MINTON. No; the Republicans did that.

Mr. BRIDGES. The Republicans have not been in power in Indiana for some time.

Mr. MINTON. They did it before the Democrats went in. And I am coming to that in a moment.

I now wish to say to the Senate that that organization was not established, as the Senator from New Hampshire said it was, it was not operated as the Senator from New Hampshire said it was, and it has no purposes such as the Senator from New Hampshire has attributed to it.

Let us take a look at the philosophy that is back of this Two Percent Club.

Mr. BRIDGES. Will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. Does the Senator mean to say that it is not political in character?

Mr. MINTON. No; it is political. Oh, it is a Democratic organization, and the purpose of it is to keep the Republicans out of power in Indiana, and may God prosper it.

Mr. BRIDGES. Will the Senator allow me to amend that statement a little? Is it not more to keep the McNutt machine in power than to keep the Republicans out of power?

Mr. MINTON. Well, the two are synonymous, and as long as the McNutt crowd has been in power in Indiana we have managed to keep the Republicans wandering in the wilderness and I hope we will continue to do so.

Let us now take a look at this Two Percent Club which the Senator has seen fit to characterize as political racketeering. We all know that in running a political party you must have the wherewithal to do it. You have to have sinews of war. You must have money with which to conduct a political campaign. In all seriousness I ask Senators, "Where do you want to get your money? You have got to get it some place. Where do you want to turn to get it?" The Democratic Party simply says, "We elect to go to our people who hold offices under the Democratic Party and who are responsible for the administration in the Democratic Party's lease of power, and ask them to contribute of their funds in order to defray the expenses of the Democratic Party." What could be fairer than that, Mr. President? For instance, when I run for the Senate in Indiana my party assesses me \$2,500. Everyone here who runs for office in his State knows that his political party assesses him in his State something or other to go on the ticket.

I have put up \$2,500 under the rules of the Democratic Party in my State. Every man who runs for county clerk or township trustee is assessed by the political party a certain sum of money to help defray the expenses of that party in that township, in that county, in that State, or in the Nation.

We have been getting money, as I said, from the office-holders and the people who hold office under those who run for office. We believe that that is an honest, honorable, straightforward way of getting money to finance a campaign. We know and have told the people of Indiana that that is the honest way to do it.

How did the Republicans do it out in Indiana when they were in power? I will give the Senator from New Hampshire a little bit of enlightenment about the way things were run when the Republicans were in. One way was to pass the hat around to these boys that had keys to the side door of the Governor's office. The corporation's representatives got the hat filled by the corporations who received quid pro quo.

Mr. President, it is a notorious fact that before the Democrats came into power in Indiana the group representing the Republican machine gave to the representatives of the utilities and the lobbyists over in the statehouse in Indianapolis keys to the side door to the office of the Governor of the State of Indiana, who was then a Republican. And when McNutt came in the keys to the Governor's office were all taken up, and were held by him and not by the representatives of Insull and the utilities in the State of Indiana.

Another way that Republicans operated in Indiana at that time was not to let them pay 2 percent a month, but to assess them 5 or 6 percent for every primary and every election campaign that came on.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. Yes; I yield to the Senator.

Mr. BRIDGES. Do I understand the statement that everyone who receives pay from the State is assessed, means that the people on relief and the people who are needy, the blind, the underprivileged, are also assessed?

Mr. MINTON. Absolutely not. No one on relief in Indiana is assessed.

Mr. BRIDGES. Where do they draw the line of distinction?

Mr. MINTON. Those who are on the State pay roll holding a State job, who receive a salary of \$100 a month or more, are the people who contribute to the Two Percent Club in the State of Indiana. No relief, no one holding a Federal position is asked to belong to the Two Percent Club.

It is a State organization, maintained by the State employees of the State of Indiana. It has worked so well, however, that the State employees have carried the message back to the people in their own communities, and the cities have established their Two Percent Clubs in the cities in the State of Indiana.

Not only have the Democrats established such clubs but the Republicans have followed suit in Indiana, and cities in Indiana today which are run by the Republican Party have Two Percent Clubs assessing the workers in the cities of the State of Indiana 2 percent on their salaries. But that was not the way they did it before they learned a little from the Democrats. Before the Democrats came in the Republicans did it this way. And I quote from an article by Herbert H. Evans, who was during the last session of the legislature in Indiana the Republican floor leader, and who for many years has been a member of the State legislature in Indiana. Mr. Herbert Evans had an article in *Outdoor Life* in October of 1930, and the Republicans in the State of Indiana at that time operated after this fashion. They would send out this kind of a letter:

Warden—

Referring to a game warden.

I suppose that you boys have been expecting this letter for some time, knowing that the campaign time is about here, so I am writing now to ask each of you for a donation to the campaign fund. I want \$25 from men receiving \$125 a month and \$15 from men receiving \$100 a month. Make the checks payable to Richard Lieber and mail to the office as soon as possible.

R. D. FLEMING, Captain of Wardens.

Here is the response of one of these wardens to Mr. Evans' letter. He says:

I was a warden for 4 years, and I know that I contributed to the campaign fund every election.

Here is a letter from a man by the name of Gardner, who was on the warden's staff. He writes to Mr. Evans:

Lieber * * * had sent his captain of the game warden service out to collect \$25 from each warden for a campaign fund before the primary 2 years ago.

Now, mark you, that was the primary, so they came around with the hat again for the general election. So \$25 was assessed from the fellows who received \$125 a month

for the primary and \$25 for the election, which made \$50, or far beyond 2 percent. That is what the Republicans were taking. They were not only taking it from the game wardens; over in the highway department they issued an order—and I am in possession of the order, a copy of it at least—assessing the employees of the Highway Commission of the State of Indiana not 2 percent, as we Democrats did.

Oh, no; they took 5 percent. And you had to lay it on the line. That is the way they operated their campaigns in the State of Indiana under the Republican administration.

That was not the only way. As I said a while ago, they passed the hat around to the corporations, and the Democrats never could get any big money in Indiana, because they never would deal with the privileged element in Indiana which wanted to run the State for its own aggrandizement. We have never dealt with the Insulls. We have never had a Governor sent to the penitentiary, as did the Republicans. We have never had a Governor plead the statute of limitations in Indiana to keep from going to the penitentiary, as did the Republicans. We have never had a State chairman go to the penitentiary, as did the Republicans. We have never had a Congressman go to the penitentiary, as did the Republicans. We have never had a mayor of the great city of Indianapolis go to jail, as did the Republicans. I do not know of anyone who was prominent in the Republican Party in Indiana who at some time or other was not either indicted or convicted.

That is the kind of politics we have been used to in Indiana, and that is the kind of thing upon which the Republicans turned their backs in 1930 and 1932 in the great State of Indiana.

As I said a while ago, we in Indiana believe that the honorable way to raise money to finance a political campaign is to get it from those who profit by success at the polls. As I say, the Republicans do not believe in that philosophy. They believe in passing around the hat and getting it from the rich fellows; and then they believe in delivering their quid pro quo. They believe in paying off the rich fellows who contribute handsomely to the Republican campaign fund. Let us see how they operate.

The CONGRESSIONAL RECORD was filled with the facts prior to the campaign of 1932. If the Senator from New Hampshire [Mr. BRIDGES] wants to know who financed Republican campaigns in days gone by, I will tell him it was the United States Treasury. I refer him to the CONGRESSIONAL RECORD of July 15, 1932, pages 15516 and 15517, at which place Representative Garrett of Texas laid the figures before the House, and showed that Andrew Mellon, when he was Secretary of the Treasury, and could not obtain from Congress an act which would reduce the income taxes to the point where he wanted them, persuaded Congress to enact a law providing for a refund of taxes without the necessity of the taxes having been paid under protest. That opened the door wide for Andrew Mellon to lay down liberal regulations, and in marched those from whose pockets Woodrow Wilson had taxed the war profits. Andrew Mellon gave them back \$4,000,000,000.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. Just a moment. I want to develop the technique of the Republicans. I want to develop the methods they used to collect campaign funds, and to show what was given in return.

How did the system operate? The companies obtained enormous returns, but they obtained them only after they had made campaign contributions. How did the Republicans make sure of receiving the contributions? They had a man by the name of Robert Lucas who was collector of Internal Revenue. He was placed as an executive officer in the Republican National Committee. He knew whom the Treasury Department had taken care of. He knew who received the big refunds in taxes from the Treasury of the United States. Bob was placed in the Republican National Committee to see that the boys did not forget their duty. This is the way the contributions came in to the Republicans in that campaign. Here they are:

Harry Guggenheim contributed \$25,000 and received a tax refund of \$210,555.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. Just a moment. Jeremiah Milbank contributed \$25,000, and received a tax refund of \$891,443.

Mr. BONE. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BONE. What was his business?

Mr. MINTON. I think he was a banker.

Mr. BONE. I wondered what connection these gentlemen might have had with war-time activities.

Mr. MINTON. They all lined their pockets.

Mr. BONE. I was wondering just how much profit we taxed out of them by our so-called war-profits tax.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. Just a moment. I want the Senator to hear these names. He probably never heard of them before.

John N. Willys contributed \$25,000, and received a tax refund of \$677,567. In addition, he was appointed Ambassador to Poland. Mr. Guggenheim went to Cuba.

W. R. and H. M. Timken contributed \$10,000, and they received a tax refund of \$370,031.

O. P. and M. J. Van Sweringen contributed \$32,500 each, and obtained tax refunds of \$353,364.

Here is an old fellow who knows how to trade. Here is a fellow who never casts his bread upon the waters without getting back a grain elevator and a flour mill [laughter]. John D. Rockefeller and John D. Rockefeller, Jr., gave \$25,000, and they received tax refunds of \$8,545,309.

Herbert N. Straus gave \$25,000, but he received a tax refund of only \$86,736.

William Nelson Cromwell gave \$25,000, and received tax refunds of \$222,652.

J. R. Nutt—that is not McNutt; just Nutt—treasurer of the Republican National Committee, gave \$25,000. He received tax refunds of only \$83,669.

Harvey S. Firestone gave \$25,000, and he received tax refunds of \$2,960,000.

And so it goes. In the case of the United States Steel Corporation, of course, the corporation could not contribute anything, but Mr. Baker—

Mr. BRIDGES. Mr. President, will the Senator yield at that point?

Mr. MINTON. Mr. George F. Baker, who is deeply interested, gave \$20,000; and the United States Steel and other corporations in which Mr. Baker was a director received tax refunds approximating \$100,000,000.

So all along the line the great corporations and moneyed interests of the country poured money into the coffers of the Republican campaign committee, and received in return millions and millions of dollars—yes, billions of dollars—as shown in the CONGRESSIONAL RECORD of July 15, 1932, to which I have referred.

The Senator from New Hampshire talks about a Two Percent Club! The Republicans shake down the contributors and then pay off, unabashed and unashamed, in the form of tax refunds.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BRIDGES. Inasmuch as the Senator has so clearly and without qualification stated that a political party may not accept contributions from corporations, I should like to have him explain how the Democratic National Committee, in the campaign of 1936, sold campaign books to many of the corporations in the country, some of them big, some of them little, many of them corporations seeking favors from the administration; and how, when certain individuals failed to subscribe to such campaign publications, certain penalties took place, certain individuals arrived to look at their tax records, and so forth. I should like to have the Senator explain why when Mr. Snell, then minority leader in the House of Representatives, submitted that information to the House and to the Attorney General, then Mr. Cummings, the Attorney General said it was without the sphere of the Department of Justice, and that the Department could not in-

vestigate the matter. The names were published. The Senator from West Virginia [Mr. Holt] last year put into the CONGRESSIONAL RECORD hundreds and hundreds of names of corporations which had contributed to the Democratic National Committee in the form of subscriptions to campaign books. Inasmuch as the Senator from Indiana is entering the national field, I should like to have him explain that situation which to me smells.

Mr. MINTON. Does the Senator refer to the advertising space that was bought in the convention books by corporations and other business people? Is that what the Senator refers to?

Mr. BRIDGES. No; I refer to the books that were sold as souvenirs, containing the autograph of the President of the United States, Mr. Franklin D. Roosevelt.

Mr. MINTON. There was no law against it. If anybody was willing to buy one of them and pay for it, it was perfectly all right for him to do so. There is no law against it; and, as I understand, the Republicans are not a bit squeamish about doing such things.

Mr. BRIDGES. It was a violation of the law.

Mr. MINTON. It was not a violation of the law. If it had been a violation of the law, the Senator could have appeared before a grand jury, or his party's representatives could have appeared before a grand jury, and had somebody indicted. Why did you not do it? Because you knew it was not against the law. There was no violation of the law. The Democrats did what was a perfectly legal thing, and they did what the Republicans did with reference to advertising in their convention book. The same outfit, the same corporation that put out the Democrats' book for the convention in 1936, put out the Republicans' book, and put it out on the same basis, although they did not make quite as much money by it, because nobody was much interested in the losing cause of the Republicans in that year.

Mr. BRIDGES. Does the Senator say that the Republican National Committee sold for any amount campaign books containing anybody's autograph?

Mr. MINTON. I did not say anything of the kind. There was not anybody in the Republican Party at that time whose autograph was worth a thin dime. [Laughter.] Therefore they did not use that method. What I did say was that the Republican Party used the same method that the Democratic Party used about getting out a convention book, and the Republicans used the same corporation to get out the book, collected money in the same way, and paid the corporation on the same basis.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. I yield to the Senator.

Mr. BRIDGES. The Senator is certainly making an incorrect statement when he says the Republicans used the same method. The Republicans, in no instance, sold to great corporations campaign publications containing the autograph of the President of the United States. When the Senator says they proceeded by the same method he is making an incorrect statement.

Mr. MINTON. The Senator does not think anybody paid for Hoover's autograph; does he? [Laughter.]

Mr. BRIDGES. Let me tell the Senator something. I had too high a regard for Herbert Hoover when he was President to think he would sell his autograph in a campaign publication for a campaign contribution.

Mr. MINTON. He sold it for a good deal less, according to the books that have been written about him. I do not know about the matter; but a number of books have been written about him and circulated in this country, and he has never prosecuted anybody for libel.

Mr. President, as I was saying before I was interrupted by the Senator from New Hampshire, there is no evidence in the record that if a corporation did buy a Democratic convention book, the trail led to the Treasury of the United States.

Mr. BRIDGES. Mr. President, let me answer that statement and say that I have not the list at hand; but I am certain that some of the persons who purchased campaign

publications—I shall be glad to get the list and give the Senator tomorrow the names—had matters of interest before this administration in Washington.

Mr. MINTON. Yes; and then the Senator ought to do what I did, set down what this administration gave them in return. The Senator from New Hampshire cannot do it, because the Democratic Party never has been guilty of that kind of conduct in all its long and glorious history.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MINTON. Yes; I yield to the Senator.

Mr. BRIDGES. The Senator might perhaps explain some of the activities of a man by the name of Chip Robert, treasurer of the Democratic National Committee.

Mr. MINTON. I have heard of a fellow by the name of Fall, and a fellow by the name of Daugherty, and fellows like that, whom I might discuss here at great length; but at Chip Robert's door has never been laid a scandal, or a fraud, or anything at all that he could be indicted for under the law of the land.

Mr. President, I know the Senate wants to go home, and does not want to hear about this contest between the Senator from New Hampshire and me. I should like to have the Senator from New Hampshire, who finds fault with the method of Indiana in raising campaign funds, tell the Senate how he is raising the money to conduct his campaign for the Presidential nomination on the Republican ticket. I dare say the Senator from New Hampshire is not paying it out of his salary. I dare say that the man he has employed in his office to write his speeches, and dig up this stuff that he spews out here on the floor of the United States Senate, is not paid for out of the Senator's salary. What 2-percent club or what other racketeering political organization lines the pockets of the Senator from New Hampshire to send out his material for his political campaign for the Republican nomination for President of the United States? Let him tell his colleagues. Let him tell the Republican Party how he finances his campaign. Do not come to the Democratic Party of Indiana and try to cast any reflections upon it when it goes about in its little, humble way, collecting nickels and dimes among its own workers. Let the Senator from New Hampshire explain his own methods before he casts a stone at somebody else.

Mr. BRIDGES. In due course I will explain that to the Senator from Indiana or anybody else when I become a candidate for any office. Let me say that I do not approve of the 2-percent method, the McNutt method, or the method used by the Democratic National Committee of getting funds by selling books to corporations or unethical methods used by any person or committee whether they be Democrats or Republicans.

Mr. MINTON. Perhaps the Senator is not a candidate; but is he not angling just a little for the nomination—just a little bit? [Laughter.] I take it from the Senator's silence that that gives consent. I hope the Republican Party, which furnished him with the resolution he introduced, the party of the reactionary press that he always speaks for, will take note that they now have a candidate. By his silence here on the floor of the United States Senate he has given his blessing to the campaign of letter-writing and post cards that sent out the questionnaire: "Who is this fellow who has been Governor, who has been on the Public Service Commission, who is now in the United States Senate, who is a staunch Republican? Who is this fellow? Who is he? Does he not fit the specifications? Is he not just the fellow for whom we are looking for the Presidency of the United States, for our candidate on the Republican ticket?" Who is paying for those postcards? Who is sending them out? Where does the money come from? Let the Senator from New Hampshire tell us.

So, Mr. President, I conclude, with the observation that it is more honorable—and I say it with all sincerity—for a political party to go out among its own workers, openly and aboveboard, collecting a dollar here and a dollar there, than it is to pass around the hat among the great cor-

porations and the rich people of the country who expect to be paid off, as they were paid off under the Republican administration to the tune of \$4,000,000,000 out of the Treasury of the United States. So, when you consider the methods, ask yourselves honestly the question, How do you want your party to raise its money—by honest, voluntary contributions by the workers in the party itself, or by the privileged interests that want to get something from the Government because they gave something to the political party which they placed in power?

ELMER D. DAVIES

Mr. BARBOUR. Mr. President, I was detained from the Chamber, speaking to a caller from my State in the ante-room, just before the executive session was announced by the bells. I actually entered while the bells were still ringing. The Senator from New Hampshire [Mr. BRIDGES] had just taken the floor, and in the meantime there has been this rather long, spirited, and interesting interchange over the nomination of Mr. Paul V. McNutt between the Senator from New Hampshire and the Senator from Indiana.

As I entered the Chamber I was surprised to note that the confirmation of the Federal Security Administrator, Mr. McNutt, was the one that was being discussed. I must ask the Chair what happened in respect to the nomination of Elmer D. Davies as United States district judge for the middle district of Tennessee? Was that nomination passed over? It was the first on the list. Why was it not taken up first?

Mr. BARKLEY. Mr. President, I will say to the Senator from New Jersey that, because of the fact that the two Senators from Tennessee were leaving on a committee to attend the funeral of a Member of the House, the late Representative McReynolds, the Senator from Tennessee [Mr. McKELLAR] earlier in the afternoon asked that that nomination be confirmed, and it was confirmed.

Mr. BARBOUR. Mr. President, I do not charge that there was anything underhanded or any connivance or anything of that sort. I do not charge that, but certainly I expected, and had a right to expect, that the nomination of Elmer D. Davies would be brought up during the regular executive session and not out of order earlier in the day.

Mr. AUSTIN. Mr. President, will the Senator from New Jersey yield?

Mr. BARBOUR. I am glad to yield to my good friend from Vermont.

Mr. AUSTIN. I should like to say for the benefit of the Senator from New Jersey that when this matter arose I was present and knew of the exigency of the circumstances, but did not know there was any occasion for delay or that there was any opposition to the confirmation of the nomination. Therefore I did not object to the procedure out of order.

Mr. BARBOUR. That is perfectly true, I am sure, Mr. President. I would have objected to the confirmation of Mr. Davies had I known it was coming up out of order earlier, and I would have spoken to either the Senator from Oregon, if he had been present, or, in his absence, to the Senator from Vermont. It is perfectly true that the Senator from Vermont had no knowledge that I had any interest in the matter, and I did not advise anyone of my objection, for, of course, I expected that this nomination, like all the others on the Executive Calendar, would be reached when the Executive Calendar was called, and when the name thus would be reached in the ordinary way. Now, I must ask unanimous consent to have the vote confirming the nomination reconsidered.

Mr. BARKLEY. Mr. President, in view of the fact that the two Senators from Tennessee are away on official business, attending a funeral, I think that ought not to be agreed to at this time. The two Senators will be back Friday morning.

The PRESIDING OFFICER. The Chair calls attention to the fact that the President was notified of the confirmation.

Mr. BARKLEY. That is true. I had overlooked the fact that the senior Senator from Tennessee [Mr. McKELLAR]

asked that the President be notified, and he has already been notified of the confirmation.

Mr. BARBOUR. There was certainly a great deal of hurry about this particular confirmation, it seems to me. As I have said, I do not make any charges, for I accept the explanation of the majority leader, the distinguished Senator from Kentucky, but I find myself, through no fault of my own, in what I feel to be both an embarrassing position and a handicapped position, and I am compelled to move a reconsideration of the vote by which the nomination was confirmed.

Mr. BARKLEY. Mr. President, I have no desire to embarrass the Senator from New Jersey. At the same time, I do not want any advantage taken of the two Senators from Tennessee, at whose instance the nomination was confirmed, and, without objection, the President notified. I do not know that the President may not have issued the commission by this time. Of course, the Senator from New Jersey understands that the requirement that 2 days shall elapse after a nomination before the President is notified is for the purpose of giving opportunity to move a reconsideration if anyone wishes to make such a motion, and when, by unanimous consent, the President is notified at once, the 2-day period is waived.

Mr. BARBOUR. Mr. President, I know how absolutely fair the majority leader, the distinguished Senator from Kentucky, is, and I am not inferring that there has been anything underhanded or surreptitious, as I have said before, but I do say that under the circumstances, certainly in view of the fact that the nomination was brought up out of the regular order, before either I, or, I am sure, many other Senators expected it would come up, there should be a reconsideration. That is only fair.

Mr. BARKLEY. The Senator is not a member of the Committee on the Judiciary, I believe.

Mr. BARBOUR. I am not.

Mr. BARKLEY. I understand the nomination was unanimously reported by the Committee on the Judiciary after an investigation which they conducted.

Mr. AUSTIN. Mr. President, I desire to propound a parliamentary inquiry. Is there any reason why the Chair should not put the motion?

The PRESIDING OFFICER. The Senator can make a motion to reconsider the vote by which the nomination was confirmed, and should couple with that a motion to recall from the White House the resolution of confirmation.

Mr. AUSTIN. I feel some responsibility for this awkward situation, and therefore I make the motion that the resolution of confirmation be recalled.

Mr. NORRIS. Mr. President, I understand a subcommittee of the Committee on the Judiciary held hearings on the nomination, which I suppose were full hearings. I should like to ask the Senator from New Jersey whether he appeared before the subcommittee to make any objection.

Mr. BARBOUR. No, Mr. President; I did not. I knew nothing about the hearings before the subcommittee, and I am perfectly willing to admit that perhaps I should have known about them; but I did not. All I want to do now, and I must do it, is to have the resolution of confirmation recalled. I am, of course, perfectly willing that a vote be taken now on my motion. But I insist on a vote. I move that the resolution of confirmation be recalled. I realize how this has all come about, but I must insist that the Senate vote on my motion.

The PRESIDING OFFICER. The Chair understands the motion to be that the notification of confirmation sent to the President shall be recalled from the White House.

Mr. BARBOUR. That is correct. I understand that is the first move I should take to prevent the confirmation of this nomination.

Mr. LUCAS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. As I understand, both the proposals are in the same motion?

The PRESIDING OFFICER. The rule states that the motion for a recall of the notification must be coupled with a motion for reconsideration, and voted on separately.

Mr. LUCAS. Only one motion is to be voted upon?

The PRESIDING OFFICER. The two motions are to be voted upon separately.

Mr. BARKLEY. Mr. President, I understand the motion made was to recall the notification and to reconsider the action of the Senate in confirming the nomination.

The PRESIDING OFFICER. The motion is to recall the notification.

Mr. BARBOUR. I make the motion, and I insist it be voted on.

Mr. BARKLEY. That is one matter, and of course the other is a separate proposition.

The PRESIDING OFFICER. Whether the nomination will come back or not is a question.

Mr. BARKLEY. Of course, I do not express any opinion on that. The absence of the Senators from Tennessee on an official mission is responsible, of course, for the present situation. The nomination would not have been brought up except at the regular executive session except for the fact that the two Senators were appointed on the committee to attend the funeral of the late Representative McReynolds, of Tennessee, and had to leave at 4:50 o'clock this afternoon, before the Senate held an executive session. In view of the length of time which has elapsed between the occurrence of the vacancy in the judgeship and the appointment, it was desired that action be taken at once.

Mr. LA FOLLETTE. Mr. President, I suggest to the Senator from Kentucky that if the motions are voted upon separately, and the first motion is merely to recall the notification, under all of the circumstances the Senators from Tennessee, who made the request I am informed—I did not happen to be present—would not lose anything except the elimination of the waiver of the 2 days which ordinarily would elapse before the President would be notified. If merely the motion to recall the notification should be voted upon and carried, the vote to reconsider would not be acted on before the return of the Senators from Tennessee and there would be an opportunity for the Senator from New Jersey to present his objections.

Mr. BARKLEY. If the notification should be recalled from the President it would still be in order for the Senator to move to reconsider on Friday, when the Senators from Tennessee will have returned.

Mr. BARBOUR. Mr. President, I would not feel justified in presenting the two motions at the same time now. In the light of what has just been stated, and because it might appear to be unfair to the two Senators from Tennessee in their absence, I feel I should only press in the first instance my motion for the recall of the notification to the President. I am perfectly willing to abide by the vote of the Senate at this time. If I am voted down, of course I will have failed. But I feel I will not be voted down under all the circumstances, and on Friday I can move to reconsider the vote by which the nomination was confirmed.

Mr. BARKLEY. Of course, the Senate cannot vote on a motion to reconsider the confirmation until the notification is returned to the Senate. What the Senator from New Jersey is seeking to do now is all he can do now anyway.

Mr. BARBOUR. In the light of the parliamentary situation as outlined by the distinguished Senator from Kentucky, I am not suggesting that right now, Mr. President. I will make that motion Friday. However, now I do make the motion that the Senator from Wisconsin spoke of and ask that it be voted on.

Mr. BARKLEY. Mr. President, the Senator's motion is to recall the resolution of confirmation from the President?

Mr. BARBOUR. That is correct.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Jersey [Mr. BARBOUR].

The motion was agreed to.

FEDERAL SECURITY ADMINISTRATOR—PAUL V. McNUTT

The Senate resumed the consideration of the nomination of Paul V. McNutt, of Indiana, to be Federal Security Administrator.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. HARRISON. I move that the President be notified of the action of the Senate in confirming the nomination of Mr. McNutt.

The motion was agreed to.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. BARKLEY. I move that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk read the nomination of Tony T. Turk to be postmaster at Falls Creek, Pa., which had been reported adversely.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters, with the exception of the one just acted upon, be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters, with the exception noted, are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 13, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 12 (legislative day of July 10), 1939

PROMOTIONS IN THE COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States, to rank as such from July 1, 1939:

TO BE CAPTAINS

Commander Wales A. Benham.

Commander Raymond L. Jack.

TO BE CAPTAIN (ENGINEERING)

Commander (Engineering) Philip B. Eaton.

TO BE COMMANDERS

Lt. Comdr. Charles W. Dean.

Lt. Comdr. Walfred G. Bloom.

The following-named officers in the Coast Guard of the United States, to rank as such from the dates set opposite their names:

TO BE CAPTAIN

Commander Philip F. Roach, May 25, 1939.

TO BE COMMANDERS

Lt. Comdr. Louis B. Olson, May 25, 1939.

Lt. Comdr. Roger C. Heimer, May 25, 1939.

Lt. Comdr. Lester E. Wells, May 25, 1939.

TO BE LIEUTENANTS

Lt. (Jr. Gr.) James D. Craik, March 1, 1938.

Lt. (Jr. Gr.) Theodore J. Harris, July 1, 1938.

Lt. (Jr. Gr.) Anthony J. DeJoy, August 1, 1938.

Lt. (Jr. Gr.) Loren H. Seeger, September 1, 1938.

Lt. (Jr. Gr.) George D. Synon, September 15, 1938.

Lt. (Jr. Gr.) Irvin J. Stephens, November 16, 1938.
Lt. (Jr. Gr.) Edward T. Hodges, December 20, 1938.
Lt. (Jr. Gr.) Donald T. Adams, May 25, 1939.
Lt. (Jr. Gr.) Theodore J. Fabik, May 25, 1939.

TO BE LIEUTENANTS (JUNIOR GRADE)

Ensign Guy L. Ottinger, June 8, 1939.

Ensign Clifford S. Gerde, June 8, 1939.

Ensign Edward C. Thompson, Jr., June 8, 1939.

Ensign James P. Stow, III, June 8, 1939.

Ensign Gerald T. Applegate, June 8, 1939.

Ensign George R. Reynolds, June 8, 1939.

Ensign Fred J. Scheiber, June 8, 1939.

Ensign William B. Ellis, June 8, 1939.

Ensign Harold L. Wood, June 8, 1939.

Ensign Arthur W. Johnsen, June 8, 1939.

Ensign Douglas B. Henderson, June 8, 1939.

Ensign Robert Wilcox, June 8, 1939.

Ensign Chester R. Bender, June 8, 1939.

Ensign Samuel G. Guill, June 8, 1939.

Ensign Paul E. Trimble, June 8, 1939.

Ensign Russell R. Waesche, Jr., June 8, 1939.

Ensign George R. Boyce, Jr., June 8, 1939.

Ensign Joseph P. Martin, June 8, 1939.

Ensign George W. Playdon, June 8, 1939.

Ensign Thomas F. Epley, June 8, 1939.

Ensign Julius E. Richey, June 8, 1939.

Ensign Benjamin B. Schereschewsky, June 8, 1939.

Ensign Frederick J. Statts, June 8, 1939.

Ensign James S. Muzzy, June 8, 1939.

Ensign Raymond W. Blouin, June 8, 1939.

Ensign Fred F. Nichols, June 8, 1939.

Ensign Theodore F. Knoll, June 8, 1939.

Ensign Nelson C. McCormick, June 8, 1939.

Ensign Frank M. McCabe, June 8, 1939.

POSTMASTERS

ALABAMA

Joseph H. Randolph to be postmaster at Grand Bay, Ala., in place of A. F. Johnson, removed.

ARIZONA

Caleb O. Rice to be postmaster at Douglas, Ariz., in place of C. O. Rice. Incumbent's commission expires July 17, 1939.

ARKANSAS

Della Kay to be postmaster at Keiser, Ark. Office became Presidential July 1, 1937.

Ivy L. Dunnam to be postmaster at McCrory, Ark., in place of I. T. Mayo. Incumbent's commission expired June 6, 1938.

CALIFORNIA

Margaret Allen to be postmaster at Indio, Calif., in place of Margaret Allen. Incumbent's commission expired February 9, 1939.

Rodney McCormick to be postmaster at Napa, Calif., in place of Rodney McCormick. Incumbent's commission expired May 31, 1939.

Florence E. Cornelius to be postmaster at Piru, Calif., in place of F. E. Cornelius. Incumbent's commission expired February 9, 1939.

CONNECTICUT

Joseph T. McCarthy to be postmaster at Plainville, Conn., in place of J. T. McCarthy. Incumbent's commission expired May 13, 1939.

William F. Rabbett, Jr., to be postmaster at Windsor Locks, Conn., in place of B. V. Keevers, deceased.

FLORIDA

Minnie H. Vick to be postmaster at Apopka, Fla., in place of M. H. Vick. Incumbent's commission expired March 16, 1939.

Sue Barco to be postmaster at Clearwater, Fla., in place of Sue Barco. Incumbent's commission expired February 20, 1939.

Florence M. Bowman to be postmaster at Clermont, Fla., in place of F. M. Bowman. Incumbent's commission expires July 26, 1939.

Edward L. Powe to be postmaster at De Land, Fla., in place of E. L. Powe. Incumbent's commission expired February 10, 1938.

James L. Crayden to be postmaster at Eustis, Fla., in place of J. L. Crayden. Incumbent's commission expired March 16, 1939.

Albert V. Prevatt to be postmaster at Green Cove Springs, Fla., in place of A. V. Prevatt. Incumbent's commission expired February 28, 1939.

Gertrude B. Scott to be postmaster at Jacksonville Beach, Fla., in place of Gertrude Scott. Incumbent's commission expired March 27, 1939.

George W. Oliver to be postmaster at Lake Wales, Fla., in place of G. W. Oliver. Incumbent's commission expired January 17, 1939.

Ebenezer J. Harris to be postmaster at Madison, Fla., in place of E. J. Harris. Incumbent's commission expired January 17, 1939.

Edward T. Owen to be postmaster at Maitland, Fla., in place of E. T. Owen. Incumbent's commission expired January 17, 1939.

John Andrew Shelley to be postmaster at Palatka, Fla., in place of J. A. Shelley. Incumbent's commission expired May 23, 1938.

Gertrude A. Ross to be postmaster at Raiford, Fla., in place of S. A. Bryan, removed.

Wrather H. Reams to be postmaster at Winter Garden, Fla., in place of W. H. Reams. Incumbent's commission expired January 17, 1939.

GEORGIA

Minnie L. Bird to be postmaster at Bowdon, Ga., in place of M. L. Bird. Incumbent's commission expired August 22, 1939.

Grady Adams to be postmaster at Moultrie, Ga., in place of Grady Adams. Incumbent's commission expired May 13, 1939.

Elmer T. Williams to be postmaster at Quitman, Ga., in place of E. T. Williams. Incumbent's commission expired June 1, 1939.

James H. Mahone to be postmaster at Talbotton, Ga., in place of J. H. Mahone. Incumbent's commission expired June 18, 1939.

Ralph Waldo Harris to be postmaster at Wrens, Ga., in place of R. W. Harris. Incumbent's commission expires July 31, 1939.

ILLINOIS

Arthur S. Austin to be postmaster at Altona, Ill., in place of A. S. Austin. Incumbent's commission expired January 16, 1939.

Elmer E. Dallas to be postmaster at Cerro Gordo, Ill., in place of E. E. Dallas. Incumbent's commission expired January 16, 1939.

Marsel F. Snook to be postmaster at Cutler, Ill., in place of M. F. Snook. Incumbent's commission expired July 1, 1939.

Roy M. Cocking to be postmaster at Erie, Ill., in place of R. M. Cocking. Incumbent's commission expired March 18, 1939.

Kile E. Rowand to be postmaster at Fairmount, Ill., in place of K. E. Rowand. Incumbent's commission expired January 16, 1939.

Hazel A. Richmond to be postmaster at Fillmore, Ill., in place of H. A. Richmond. Incumbent's commission expired May 13, 1939.

Maxine Loy to be postmaster at Maquon, Ill., in place of Maxine Loy. Incumbent's commission expired January 22, 1939.

John F. Hartsfield to be postmaster at Monticello, Ill., in place of J. F. Hartsfield. Incumbent's commission expired January 16, 1939.

Henry R. Richardson to be postmaster at Mowaqua, Ill., in place of H. R. Richardson. Incumbent's commission expired January 16, 1939.

Walter W. Schultz to be postmaster at Oakglen, Ill. Office became Presidential July 1, 1938.

Roy S. Preston to be postmaster at Pekin, Ill., in place of R. S. Preston. Incumbent's commission expired May 29, 1939.

Harry C. Strader to be postmaster at Westfield, Ill., in place of H. C. Strader. Incumbent's commission expired March 18, 1939.

INDIANA

Harry T. Ferguson to be postmaster at Jeffersonville, Ind., in place of H. T. Ferguson. Incumbent's commission expired May 15, 1939.

Edwin D. Smith to be postmaster at Ligonier, Ind., in place of E. D. Smith. Incumbent's commission expired June 1, 1939.

Maurice C. Goodwin to be postmaster at New Castle, Ind., in place of M. C. Goodwin. Incumbent's commission expired June 18, 1939.

Earl J. McWilliams to be postmaster at Plainville, Ind., in place of E. J. McWilliams. Incumbent's commission expired January 18, 1939.

IOWA

Anna V. McDonnell to be postmaster at Adair, Iowa, in place of A. V. McDonnell. Incumbent's commission expired January 18, 1939.

Adolph M. Schanke to be postmaster at Mason City, Iowa, in place of A. M. Schanke. Incumbent's commission expired May 7, 1938.

Donald E. Carson to be postmaster at New Hartford, Iowa, in place of L. E. Grady, removed.

Leonard L. Snyder to be postmaster at Oskaloosa, Iowa, in place of L. L. Snyder. Incumbent's commission expired June 18, 1939.

Grace G. Patterson to be postmaster at Westside, Iowa, in place of G. G. Patterson. Incumbent's commission expired January 18, 1939.

KANSAS

Norbert W. Shean to be postmaster at Spearville, Kans., in place of J. J. Appelhaus, removed.

KENTUCKY

Henry H. Snodgrass to be postmaster at Alva, Ky., in place of Roy Fraim, resigned.

Walter Clayton Thomason to be postmaster at Georgetown, Ky., in place of N. L. Blackburn, deceased.

Forrest P. Bell to be postmaster at Hartford, Ky., in place of L. G. Barrett, removed.

MAINE

Walter G. Anderson to be postmaster at Kittery Point, Maine, in place of C. E. Perry, deceased.

MARYLAND

Lily M. Kuhl to be postmaster at Bowie, Md., in place of Nettie Fowler, deceased.

Harry R. Price to be postmaster at Rock Hall, Md., in place of H. R. Price. Incumbent's commission expired May 13, 1939.

MICHIGAN

Annah E. Turnbull to be postmaster at Clio, Mich., in place of M. W. Covert. Incumbent's commission expired January 25, 1936.

Claude J. Tessman to be postmaster at New Haven, Mich., in place of C. J. Tessman. Incumbent's commission expired April 26, 1939.

MINNESOTA

Mary E. Herron to be postmaster at Watertown, Minn., in place of S. A. Mystrom. Incumbent's commission expired January 25, 1936.

MISSISSIPPI

Pink Hardy to be postmaster at Bruce, Miss., in place of Hezekiah Logan. Incumbent's commission expires July 26, 1939.

James H. Middlebrook to be postmaster at Ethel, Miss., in place of I. I. Massey. Incumbent's commission expired April 6, 1939.

Mary D. McMahan to be postmaster at Holcomb, Miss., in place of H. C. Varner. Incumbent's commission expired July 11, 1939.

Erma O. Barnes to be postmaster at Louise, Miss. Office became Presidential July 1, 1938.

William J. Newton to be postmaster at Monticello, Miss., in place of A. P. Wilson. Incumbent's commission expired June 10, 1936.

MISSOURI

John R. Sims to be postmaster at Blackwater, Mo., in place of R. M. Abney, deceased.

Meredith B. Lane to be postmaster at Sullivan, Mo., in place of M. B. Lane. Incumbent's commission expired February 20, 1939.

MONTANA

Karl Oliver Lentz to be postmaster at Baker, Mont., in place of T. R. Bergstrom, resigned.

Dudley W. Greene to be postmaster at Columbia Falls, Mont., in place of D. W. Greene. Incumbent's commission expired April 10, 1938.

Raymond M. Birck, to be postmaster at Corvallis, Mont., in place of R. M. Birck, resigned.

NEW JERSEY

Irving Washburn to be postmaster at Dover, N. J., in place of A. J. Kaiser, deceased.

Herbert Schulhafer to be postmaster at Linden, N. J., in place of Herbert Schulhafer. Incumbent's commission expired June 18, 1938.

Russell J. Noncarrow to be postmaster at Morristown, N. J., in place of R. J. Noncarrow. Incumbent's commission expired February 13, 1939.

William H. Fisher to be postmaster at Phillipsburg, N. J., in place of W. H. Fisher. Incumbent's commission expired April 2, 1939.

NEW MEXICO

Clotilde C. Montes to be postmaster at Bernalillo, N. Mex., in place of C. C. Montes. Incumbent's commission expired February 25, 1939.

NEW YORK

Willard S. Brown to be postmaster at Fair Haven, N. Y., in place of W. S. Brown. Incumbent's commission expired January 22, 1939.

Antoinette C. Longworth to be postmaster at Hewlett, N. Y., in place of P. J. Daub, removed.

Frederick M. Dennin to be postmaster at Lake Placid, N. Y., in place of F. M. Dennin. Incumbent's commission expired March 23, 1939.

Hugh E. Dean to be postmaster at Vestal, N. Y., in place of J. S. Crane, deceased.

William H. Butler to be postmaster at Saranac Inn, N. Y., in place of W. H. Butler. Incumbent's commission expired May 8, 1939.

NORTH CAROLINA

Joseph C. Allen to be postmaster at Durham, N. C., in place of J. C. Allen. Incumbent's commission expired March 28, 1939.

OHIO

Milan E. Croul to be postmaster at Killbuck, Ohio, in place of C. B. Hyatt. Incumbent's commission expired January 30, 1938.

OKLAHOMA

Mona Clark to be postmaster at Idabel, Okla., in place of H. Clark, deceased.

William Clarence Ray to be postmaster at Wilburton, Okla., in place of W. C. Ray. Incumbent's commission expired March 20, 1939.

OREGON

Anne E. O'Rourke to be postmaster at Condon, Oreg., in place of A. E. O'Rourke. Incumbent's commission expired February 18, 1939.

Frank L. Armitage to be postmaster at Eugene, Oreg., in place of F. L. Armitage. Incumbent's commission expired June 1, 1939.

PENNSYLVANIA

Helen I. Simkovich to be postmaster at Beaver Meadows, Pa., in place of J. M. Kotch, removed.

Edward W. Coley to be postmaster at Cochran, Pa., in place of E. W. Coley. Incumbent's commission expired March 18, 1939.

Harry C. Beck to be postmaster at Cressona, Pa., in place of H. C. Beck. Incumbent's commission expired March 18, 1939.

Michael J. Glenn to be postmaster at Ford City, Pa., in place of M. J. Glenn. Incumbent's commission expired March 18, 1939.

Margaret M. Callahan to be postmaster at Glen Mills, Pa. Office became Presidential July 1, 1938.

John Paul Garrett to be postmaster at Herndon, Pa., in place of J. P. Garrett. Incumbent's commission expired February 21, 1939.

Donald B. Gardner to be postmaster at Howard, Pa., in place of D. B. Gardner. Incumbent's commission expired May 28, 1939.

James P. King to be postmaster at Kittanning, Pa., in place of J. P. King. Incumbent's commission expired February 1, 1938.

Charles M. Howell to be postmaster at Lancaster, Pa., in place of C. M. Howell. Incumbent's commission expired March 18, 1939.

Frank B. Kunselman to be postmaster at Meadville, Pa., in place of F. B. Kunselman. Incumbent's commission expired February 9, 1939.

Clarence F. Ludwig to be postmaster at Minersville, Pa., in place of J. F. Boran, removed.

Olin V. Deterick to be postmaster at Orangeville, Pa., in place of O. V. Deterick. Incumbent's commission expired April 6, 1939.

James M. Herrold to be postmaster at Port Trevorton, Pa., in place of J. M. Herrold. Incumbent's commission expired April 6, 1939.

Samuel Bankin to be postmaster at Revloc, Pa. Office became Presidential July 1, 1938.

Ambrose A. Connelly to be postmaster at Rosemont, Pa., in place of A. A. Connelly. Incumbent's commission expired May 4, 1939.

Ella Belle Luce to be postmaster at Saegertown, Pa., in place of E. B. Luce. Incumbent's commission expired March 18, 1939.

Charles P. Hilty to be postmaster at Saltsburg, Pa., in place of C. P. Hilty. Incumbent's commission expired May 28, 1939.

Joseph Harry Brownmiller to be postmaster at Schuylkill Haven, Pa., in place of J. H. Brownmiller. Incumbent's commission expired February 21, 1939.

Andrew E. Hildebeitel to be postmaster at Souderton, Pa., in place of A. E. Hildebeitel. Incumbent's commission expired May 4, 1939.

John L. Gracey to be postmaster at Three Springs, Pa., in place of J. L. Gracey. Incumbent's commission expired January 29, 1939.

PUERTO RICO

Pedro Muniz Rivera to be postmaster at Manati, P. R., in place of P. M. Rivera. Incumbent's commission expired February 13, 1939.

RHODE ISLAND

William F. Harkins to be postmaster at West Barrington, R. I., in place of W. F. Harkins. Incumbent's commission expired February 18, 1939.

SOUTH CAROLINA

Jo H. King to be postmaster at McBee, S. C., in place of J. H. King. Incumbent's commission expired January 21, 1939.

Crayton C. Crenshaw to be postmaster at Pendleton, S. C., in place of C. C. Crenshaw. Incumbent's commission expired February 9, 1939.

Lucia C. Lindsey to be postmaster at Piedmont, S. C., in place of L. C. Lindsey. Incumbent's commission expired January 24, 1939.

Lawrence E. King to be postmaster at Simpsonville, S. C., in place of L. E. King. Incumbent's commission expired January 24, 1939.

Joseph H. Coleman to be postmaster at Travellers Rest, S. C., in place of J. H. Coleman. Incumbent's commission expired January 24, 1939.

SOUTH DAKOTA

Alex C. Lembcke to be postmaster at Garretson, S. Dak., in place of A. C. Lembcke. Incumbent's commission expired February 20, 1938.

Ruel E. Dana to be postmaster at Hartford, S. Dak., in place of R. E. Dana. Incumbent's commission expired January 28, 1939.

William F. Curren to be postmaster at Vienna, S. Dak., in place of W. F. Curren. Incumbent's commission expired February 15, 1939.

TENNESSEE

Franklin P. Moore to be postmaster at Cookeville, Tenn., in place of H. T. Whitson. Incumbent's commission expired May 10, 1939.

Hugh V. Somerville to be postmaster at Paris, Tenn., in place of H. V. Somerville. Incumbent's commission expired June 17, 1939.

TEXAS

Kathryn A. Baker to be postmaster at Edna, Tex., in place of O. G. Baker, Jr., deceased.

William P. Slaton to be postmaster at Electra, Tex., in place of W. P. Slaton. Incumbent's commission expired January 25, 1939.

Gladys J. Ballard to be postmaster at Estelline, Tex., in place of G. J. Ballard. Incumbent's commission expired March 15, 1939.

Gus M. Hodges to be postmaster at Greenville, Tex., in place of F. E. Horton, deceased.

Mary S. Donald to be postmaster at Lewisville, Tex., in place of J. M. Edwards. Incumbent's commission expired January 25, 1939.

George A. McElroy to be postmaster at Nocona, Tex., in place of M. S. Strong. Incumbent's commission expired January 25, 1939.

Plummer M. Barfield to be postmaster at Sourlake, Tex., in place of P. M. Barfield. Incumbent's commission expired January 25, 1939.

Fred W. Hines to be postmaster at Wiergate, Tex., in place of F. W. Hines. Incumbent's commission expired January 25, 1939.

UTAH

Eugene Yeates to be postmaster at Logan, Utah, in place of Eugene Yates. Incumbent's commission expired January 17, 1939.

VIRGINIA

John Frank Harper to be postmaster at Waynesboro, Va., in place of J. F. Harper. Incumbent's commission expired July 9, 1939.

Ethel L. Deans to be postmaster at Windsor, Va., in place of E. L. Deans. Incumbent's commission expired February 18, 1939.

WASHINGTON

Robert H. Maus to be postmaster at Wenatchee, Wash., in place of G. C. Eller, deceased.

WEST VIRGINIA

Edward Ellis Brumfield, Sr., to be postmaster at Berwind, W. Va., in place of P. H. Lawless, resigned.

Edward E. Williams to be postmaster at Masontown, W. Va., in place of E. E. Williams. Incumbent's commission expired June 6, 1938.

WISCONSIN

John L. Cunningham to be postmaster at Beaver Dam, Wis., in place of J. L. Cunningham. Incumbent's commission expired June 26, 1939.

William H. McCrea to be postmaster at Benton, Wis., in place of W. H. McCrea. Incumbent's commission expired June 15, 1938.

Albert L. Ehret to be postmaster at Prairie du Sac, Wis., in place of A. L. Ehret. Incumbent's commission expired June 18, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12 (legislative day of July 10), 1939

DIPLOMATIC AND FOREIGN SERVICE

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE

Lampton Berry	R. Kenneth Oakley
Roland K. Beyer	M. Robert Rutherford
Robert P. Chalker	J. Kittredge Vinson
Ralph C. Getsinger	O. Meredith Weatherby
George D. Henderson	Alfred T. Wellborn

UNITED STATES DISTRICT JUDGE

Elmer D. Davies to be United States district judge for the middle district of Tennessee.

FEDERAL SECURITY ADMINISTRATOR

Paul V. McNutt to be Federal Security Administrator.

POSTMASTERS

ALASKA

Albert Wile, Juneau.

ARIZONA

Nina Bess Prather, Casa Grande.

ARKANSAS

Oscar E. Wyatt, Bono.

Walter Finley, Lincoln.

FLORIDA

Charles H. Fletcher, Branford.

GEORGIA

Hardy S. McCalman, Buchanan.

Hal D. Austin, Conyers.

ILLINOIS

Scott W. Hershey, Taylorville.

INDIANA

Floyd B. Faulkerson, Angola.

Roy D. Haines, Bryant.

James S. Auble, Cayuga.

Albert Seufert, Ferdinand.

Jesse M. Kemp, Kempton.

Charles H. Wilson, Mooresville.

Linda M. Peine, Oldenburg.

Joseph C. Whitesell, Plymouth.

Paul A. Kerstiens, St. Mary-of-the-Woods.

Heber L. Menaugh, Salem.

Albert J. Anderson, Shirley.

Albert Rautenkranz, Urbana.

Benjamin B. Plummer, Windfall.

KENTUCKY

Homer G. McConnell, Marion.

MAINE

Harold E. Weeks, Augusta.

Mollie M. Armstrong, Cape Cottage.

Fred E. Skillings, Jr., Scarborough.

Fernald E. Anderson, Stockholm.

MARYLAND

Egbert F. Tingley, Hyattsville.

Taylor R. Biles, Rising Sun.

MICHIGAN

Rita C. Boucha, Engadine.

MISSOURI

Max H. Dreyer, Festus.

Hazel Ryals, Greenfield.

William Arthur Girdner, Mercer.

Leslie C. Sheckelsworth, Meta.

Harry F. Allen, Powersville.

Frank J. Albers, Robertson.

Eva G. Allen, Rutledge.

MONTANA

Lena L. Fleming, Bonner.
Philester F. Morrison, Columbus.
Thomas J. Somerville, Jr., Gardiner.
Pypsy B. Snelson, Great Falls.
Ruth A. Nutting, Laurel.
John W. McKee, Plentywood.

NEVADA

Henry J. Rosenbrock, Gardnerville.

NEW JERSEY

Robert H. McKinney, Barrington.
Daniel T. Hagans, Blackwood.
James D. Magee, Bordentown.
John M. Timcoe, Bradley Beach.
Frank F. Burd, Califon.
Jacob Garrison, Cape May Court House.
Nelson Pickel, Clinton.
Warren Eckerson, Closter.
Mamie R. Stone, Egg Harbor City.
Edward F. McKeever, Englewood.
Edward W. Seyler, Fords.
Arthur B. Williams, Grenloch.
Leslie B. Vail, Hamburg.
Anthony De Staffen, Haskell.
Fred G. Leiser, Hudson Heights.
Frank Mastrangelo, Iselin.
John L. Cagni, Lavallette.
Martin E. Carroll, Lawrenceville.
Joseph D. Donato, Little Falls.
Lucy M. Buckbee, Manahawkin.
Harry Kramer, Metuchen.
Joseph J. McNally, Park Ridge.
William T. Snyder, Pittstown.
Dominic Soriano, Raritan.
Michael S. Malone, Rockaway.
Anna A. Mullen, Sewaren.
Madelyn Swanwick, West New York.
Timothy J. Lyons, Westwood.
Clarence Smith, Woodstown.

NEW MEXICO

Henry Gallegos, Grants.
Virginia M. Cason, Mosquero.

NEW YORK

Hattie B. Dye, Cassadaga.
May T. Powers, Essex.
George H. Raum, Kenoza Lake.
Katherine H. Nevil, Marion.
Grace M. Mumford, Middleville.
Charles L. Prince, Mohawk.
Roy Brant, Remsen.
Edward J. Hally, Sonyea.

NORTH DAKOTA

Otis Malone, Almont.
Freda A. Sempel, Braddock.
Maude L. Burbeck, Cathay.
Olive M. Bartlett, Cogswell.
Michael C. Rausch, Elgin.
H. C. Erhart Petersen, Makoti.
Christine Loken, Petersburg.
William J. Gust, St. Thomas.
Thelma B. Bohrer, Stanton.

OHIO

Howard M. Whitehead, Alexandria.
Mollie M. Morrow, Bergholz.
Florence B. Nichols, Burton.
Dee C. Franks, Clyde.
John W. Ritz, Hamler.
Edmund L. Curchill, Metamora.
Carl V. Beebe, Mount Gilead.
Harley C. Brubaker, Waynesburg.

OKLAHOMA

Harry F. Craig, Boswell.
Wilma P. Walcher, Braman.
Lydia C. Rhyne, Dawson.
Luther C. Dobbs, Davidson.
Edwin B. Minich, Eldorado.
James Roy Clem, Granite.
Vernie A. Oates, Shattuck.
Nell M. Dilks, Temple.

PENNSYLVANIA

Elmer T. Smith, Hopewell.

TENNESSEE

Timmie M. Bryant, Charleston.
Walter W. Ryburn, Erwin.
William R. Massey, Harriman.
A. Klasen Broyles, Limestone.
Charles P. Fults, Monteagle.
Wilia J. McCrary, Philadelphia.
Jean N. McGuire, Sweetwater.

WEST VIRGINIA

Lucille Jividen, Leon.

WASHINGTON

Elizabeth S. Garland, Endicott.
Charles J. Fredricks, Moxee City.
Walter Lee Barnard, Sumner.

REJECTION

Executive nomination rejected by the Senate July 12 (legislative day of July 10), 1939

POSTMASTER

PENNSYLVANIA

Tony T. Turk to be postmaster at Falls Creek in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 12, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we praise Thee that the sun of life, with its quickening rays, has again shed upon our path the glow of another day. Thy merciful love and care, our Father, are as constant as the stars that never set, as the mountains that never move, and as the tides that never forget to ebb and flow. Glory be to Thy holy name, O Lord, most high. Continue to shelter us with Thy gracious providence, uplifting and transfiguring us with the sublime consciousness of a personal God. Inspire us to love Thee with a whole heart, to serve man and hate only sin. As the custodians of a glorious heritage, grant that the might of a great purpose may surge through the halls of our being. Search us, O God, and know our hearts; see if there is any wicked way in us and lead us in the way everlasting. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6577) entitled "An act to provide revenue for the District of Columbia, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 955. An act creating the City of Dubuque Bridge Commission and authorizing said Commission and its successors